

# A STUDY OF THE EAST ASIAN INSTITUTE



# HONORABLE MERCHANTS

Commerce and  
Self-Cultivation in  
Late Imperial China

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*For my mother and father*



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## PROLOGUE

At the height of the Qing dynasty, the painter Xu Yang (active ca. 1750–1776) depicted the Qianlong emperor's 1751 visit to Suzhou, the flourishing metropolis and symbol of the vast Manchu empire's prosperity. Xu's long scroll includes a welter of detail that allows us an intriguing glimpse into the commercial world of mid-eighteenth-century China.<sup>1</sup> Shops neat and spare line the streets of the city center and waterways. Cloth shops abound—as might be expected in this heart of the textile trade—with their bolts of cloth piled tidily behind the counters, and shops selling boots, furs, hats, antiques, wine, ginseng, and writing brushes also jostle for commercial space. All these open-fronted commercial establishments face the street and display signs indicating their specialties. A wine shop sign, for example, boasts “Famous Homemade Wine” (*zizuo mingjiu*).

The city bustles with activity. The shopkeepers and clerks, clad neatly in gray gowns and red and gray caps, staff the shop counters, either waiting on customers or otherwise occupying themselves. People fill the streets. Peddlers wander through the crowd, plying their wares. A young boy, perhaps an apprentice, brings tea to a shop counterman. A customer in the boot shop sits on a bench trying on a pair of boots as the shopkeeper hovers nearby. Along the waterways, stevedores busily unload merchandise brought by boat from the countryside or from other cities.

At about the time Xu Yang painted his scroll, enterprising merchants were recording their own impressions of the commercial world. Perceiving yet another opportunity for profit in all this prosperity and seeking to defend their profession from the criticism of Qing agrarianist writers, they recorded their own knowledge and experiences in manuals to serve as guides for neophytes in commerce.

As trade expanded and more and more peasants were drawn into the commercial economy, the number of intermediate market towns and merchant establishments during the late imperial period increased. New opportunities to make money in business attracted people from many walks of life. Urban dwellers opened their own shops. Shopkeepers took on apprentices who needed training. Peasants attracted by economic opportunity or compelled by rural distress moved to urban areas and sought, eventually if not immediately, to make a living in trade. Toward the end of the eighteenth century and throughout the nineteenth century, people with varying degrees of classical education were forced to relinquish their dreams of official glory and embrace commerce to support their families.

Many of these people came to occupy the middle level of the commercial world as mid-level merchants. Modest traveling merchants or shop owners, they perched precariously between the peddlers and stall owners below and the wealthy, politically connected merchants above. They had reached an important rung on the ladder of social mobility, and their story is important in the social history of late imperial China. Torn by the need for material success and the desire for social respectability, they challenged social norms and modified elite culture. The manuals written for them preserved a merchant culture that had probably begun to develop as early as the Song and that had certainly coalesced by the late Ming. The detailed and wide-ranging essays found in their manuals reveal the hitherto unexplored world of the mid-level merchant.

## INTRODUCTION



People in late imperial China with a modicum of money, education, and ambition, but without great wealth or powerful connections, faced a potential dilemma. On the one hand, they increasingly viewed commercial occupations as an attractive way to earn money and raise the status of their family.<sup>1</sup> On the other, they sought to protect themselves in a dangerous, minimally regulated economic environment; opportunity beckoned the talented and ambitious but by no means guaranteed success. They also hoped to remain upstanding members of a society dominated by a governmental and educational elite whose notions of respectability—transmitted through edicts, lectures, and morality books—lagged behind the rapid economic changes and whose values conflicted with the reality of their lives. This establishment urged them from birth to quash their ambitions and to accept their lot in life.

How, then, did aspiring merchants approach this dilemma of attaining economic success while remaining socially respectable? How did those concerned with morality and respectability handle the conflicts that arose when the values propagated by conservative moralists clashed with the reality of life in the marketplace? Did they reject, at least in part, the narrow, elite notions of respectability? Or did they alter their business practices or ignore economic opportunities in order not to offend the establishment? How did they operate their businesses in this minimally regulated environment? Did the merchants' efforts to protect themselves restrict the development of their business practices, stifle their entrepreneurial spirit, or prevent them from taking full advantage of economic opportunities? Finally, did the merchants' response to their dilemma resemble the response of other social groups to similar dilemmas, particularly that of elite families involved in both commercial and more orthodox pursuits?

People of the late imperial period (1550–1930) without great wealth or connections resolved their dilemma by adjusting, and in some cases rejecting, the narrowly defined orthodoxy of the establishment and gradually developing a culture that was suitable to their own needs and that recognized their importance to society. This culture also became acceptable to a more broadly defined and realistic social and cultural orthodoxy.

The foundation of this merchant culture was a process of character training labeled, for the purposes of this study, “self-cultivation.” This term immediately brings to mind Confucianism, and its usage here is deliberate. References to Confucianism and Confucian values indicate the core values of Ming (1368–1644) and Qing (1644–1912) dynasty Confucianism found in the Four Books and disseminated in primary educational works such as the *Xiaoxue* (The Elementary Learning) or the *Sanzi jing* (The Three Character Classic).<sup>2</sup> Through rigorous Confucian-influenced education, apprentices or aspiring merchants learned not only the commercial skills necessary for business but also how to deal with people and how to cultivate appropriate personality traits. In essence, merchants were taught to achieve an “inner mental attentiveness,” subdue selfish desires, distinguish good from evil, and practice reciprocity.<sup>3</sup> A properly cultivated personality helped the merchants to avoid the pitfalls of their economic environment and to conduct their trade profitably without compromising their standing as respectable “gentlemen” (*junzi*). In fact, their status as “gentlemen” enhanced their commercial success. Consumers in late imperial China could not prevail upon any kind of governmental Better Business Bureau to determine the honesty of a tradesman or to seek redress from a dishonest one. A shopkeeper’s reputation as a respectable gentleman, therefore, served to reinforce the notion that his customers would receive fair treatment and would not be cheated or shortchanged.

Apart from commercial applicability, a reputation as a proper gentleman bolstered a merchant’s respectability in society at large. Despite the time-honored social ranking of scholar, farmer, craftsman, and merchant, even local retail traders and shopkeepers occupied a middling niche in late imperial urban society. As the number of new towns and cities grew, as the size of older towns and cities expanded, and as commercial activity became more significant to the empire during the late imperial period, a commercial occupation became increasingly important and sought after. Moreover, better mate-

rial circumstances enabled members of the subordinate classes to imitate the customs of the elite, if only modestly, especially as members of the elite were moving into China's towns and cities and providing convenient models to imitate.<sup>4</sup> Many tradesmen undoubtedly wanted their importance to be acknowledged by society.<sup>5</sup>

Elements of the self-cultivation approach to business began to appear as early as the Song dynasty (960–1279), when members of the elite became concerned with transmitting the Confucian ideology to the subordinate classes and the number of market towns began to increase. This approach most likely reemerged or achieved greater coherency beginning in the late Ming and then was refined and recorded by the authors of merchant manuals during the early and mid-Qing.

In addition to providing for commercial success and social respectability, the vision of the world articulated by the Qing merchant manual authors addressed the spiritual and ethical needs of people in the commercial world. No matter how hard the elite attempted to adjust their own message to fit the needs of the subordinate classes, they could not compete with manual writers who were themselves merchants, who understood the problems and difficulties of their peers, and who sought to place fewer restrictions on tradesmen's activities. The Confucian-influenced merchant culture provided realistic guidelines for behavior in a changing world and psychological solace during times of trial. In particular, a merchant's sense of himself as a respectable gentleman provided fortification as he contemplated the constant competition from hard-working farmers and laborers trying to establish their own shops. Indeed, the threat of downward mobility drew mid-level merchants to Confucian values just as much as the promise of upward mobility.

This study examines local retail traders who did business within the boundaries of single macroregions and small and mid-level shop owners located in the empire's urban areas.<sup>6</sup> Many of these merchants were based in intermediate market towns, which proliferated during the late imperial period as peasants became more dependent on the market and as urban populations grew. Some merchants occasionally indulged in wholesale trade, and others expanded their firms and garnered a certain amount of wealth. Most merchants, however, operated small household or family businesses with only one shop or place of business, employed only a few apprentices and clerks, and possessed no civil service degrees. The overwhelming majority, if not all, were men.<sup>7</sup> All were below the wealthy and politi-

cally powerful merchants but above the extremely vulnerable peddlers and stall owners. I refer to them as mid-level merchants, more for brevity than elegance.

The origins of these mid-level merchants are diverse. Some came from the countryside while others advanced from apprentice to clerk to store owner. Moreover, late imperial society was characterized by great fluidity between the world of trade and scholarship. Some families, for example, in their long-range plans for social elevation, viewed trade or shopkeeping as an intermediate step toward the world of the elite. Similarly, those who were classically educated and who had either earned the lowest civil service degree, failed the civil service examinations, or abandoned aspirations toward officialdom even before taking the civil service examination—the “poor Confucians”—frequently turned to middle-level commerce to earn their livelihood.<sup>8</sup>

Earlier studies of late imperial merchant culture attempted to separate the chaff of Confucianism from the wheat of pragmatism. The presence of Confucian thought and values was assumed to indicate the absence of a separate merchant worldview or culture and the confirmation of an unchanging China in which monolithic Confucianism smothered the development of an independent and “modern” perspective even among humble tradesmen. The reality, however, is more complex. Confucian thought did dominate during the late imperial period, but it was actually pluralistic and protean.<sup>9</sup> Various schools of interpretation rose and fell, terms often carried different meanings at different times, and different groups in society interpreted Confucianism in divergent ways. Indeed, at least by the late imperial period, elements of the Confucian tradition began to be accepted as a general moral code or as received wisdom. Confucian thought and merchant practice, therefore, were not incompatible. Values, attitudes, and practices could be adjusted to the modern world and yet be deemed respectable even if deplored by some segments of the elite. Elements of the Confucian tradition, moreover, could be used to avoid or overcome obstacles and to conduct business successfully in a minimally regulated, increasingly commercialized economy eventually beset by population explosion, governmental decline, and growing disorder.

Scholars of Chinese social and economic history who first dealt with the issue of a separate merchant culture in China, however, searched for a culture similar to the one that they believed had flourished in Europe. These scholars sought to explain China’s failure to



develop economically, and they found evidence to support their contention that China lacked a discrete merchant culture. Merchants, especially wealthy ones, eagerly wished to identify themselves with the Confucian culture of China's elite. The fluidity of late imperial China's social system allowed them to break easily into the ranks of the gentry and thus discouraged the development of a separate merchant culture. Although this notion has been challenged in recent years, it is still widely accepted.<sup>10</sup>

In his recent study of the eighteenth-century novel *The Scholars*, Paul Ropp proposed the existence of a "third, urban-based middle-class culture" in Ming-Qing China. Composed of nonelite merchants, artisans, entertainers, and even unemployed and underemployed scholars, this group did not yet constitute a full-fledged bourgeois class, but Ropp claimed its culture differed significantly from that of the elite above and the peasants below. "In terms of power, wealth, prestige, and literacy, this group can only be classified as middle."<sup>11</sup>

Ropp's study contributes greatly to our understanding of the subordinate classes in late imperial China. To demonstrate the autonomy of their culture from elite Confucian culture, however, he relies in part upon Wolfram Eberhard's study of Qing merchant manuals. Eberhard, working in the 1960s, found in these manuals evidence of a pragmatic business ethic free of Confucian morality and resembling the commercial ethics of Western merchants. He contrasted this ethic of the ordinary merchant, which embodied a "business spirit," with the Confucianism of the gentleman-merchant, which lacked a "real business spirit." This business spirit was considered important because it served as one of the preconditions for industrialization. The two assumptions implicit in this argument are that the demands of commerce create a similar business (or middle-class) culture throughout the world and that Chinese merchant manuals directly reflect that culture.<sup>12</sup> A more thorough examination of these manuals, however, indicates a need to revise such views.

I do not disagree that the manuals may illustrate the presence of a merchant culture or worldview with some distinctive elements in Qing China. Rather, my study disputes Eberhard's characterization of that culture and his assumptions concerning its evolution. Although commercialization may foster certain universal values, merchant culture in late imperial China can only truly be understood as a product of its own civilization and historical era.

I examine the development during the late imperial period of a

merchant culture, here defined as the practices and values related to the pursuit of commerce, within the broad context of five concerns: an economic environment increasingly commercialized but lightly and indirectly regulated; the expansion of market towns; the movement of the elite from the countryside to towns and cities; the efforts of the elite to inculcate the subordinate classes with Confucian ideals and values; and an explosive population growth. This study rejects the separate but related arguments that a commercialized economy will produce a uniform merchant culture at all times and in all places and that merchants during China's late imperial period were thoroughly "Confucianized," and therefore had no culture of their own or were rendered incapable of really pursuing commerce. Commercialization certainly did affect the development of this culture, but not in any predictable way. As E. P. Thompson put it, "We can see a logic in the responses of similar occupational groups undergoing similar experiences, but we cannot predict any law."<sup>13</sup>

Confucian thought in its many forms pervaded almost all levels of late imperial society, gave its adherents social respectability, and was indeed sought after by members of some subordinate classes. But some members of the merchant community appropriated the Confucian system of values for their own purposes and used it in ways unforeseen and unintended by orthodox Confucian educators and the authors of popularized Confucian tracts. Mid-level merchants concerned with morality and respectability slowly percolated the Confucian values of the dominant classes through the filter of commercial needs throughout the late imperial period. The resulting brew served as a realistic counterpoint to the morality books and ledgers of merit and demerit. As is well known, morality books and ledgers of merit and demerit did respond to changing times and did promote individual social mobility, but did so according to their own terms. We will see below that the overwhelming majority of these works supported the agrarian order and had definite ideas about the proper role of merchants in that order. In contrast, relatively powerless merchants, immersed in merchant culture, could define themselves in their own manuals as respectable gentlemen and at the same time provide themselves with realistic guidelines for living in an uncertain and changing age and for successfully handling their business ventures.

Indeed, the merchant manuals reveal that shopkeepers and itinerant traders neither autonomously developed their own values nor docilely accepted the value system of the orthodox elite in full. The manuals thereby support Carlo Ginzburg's contention that "the people do not passively absorb what is fed to them. Instead they break it down and reassemble it for their own purposes."<sup>14</sup> This recycling can be clearly seen in how the manuals apply certain Confucian values to commercial activities. The reader or apprentice was taught to anticipate and thus avoid problems in a minimally regulated economic environment through a process of Confucian self-cultivation that had developed in a different historical context for different purposes. Ginzburg's point is also nicely illustrated in the differences over specific issues found in the commercial manuals and in the morality books written in the interests of the agrarian order. The merchant-authors rejected advice contained in the morality books that worked against the interests of their merchant readers and bypassed or de-emphasized aspects of Confucianism valued by philosophers and the orthodox elite but irrelevant to their readers.

Therefore, how merchants interacted with a changing economy cannot be understood without reference to the efforts by the orthodox elite and government to inculcate merchants with Confucian values, and how merchants reacted to those efforts cannot be understood without reference to their material life. The Confucian philosophy had the potential both to repress the development of a merchant culture compatible with a commercialized economic environment, as can be seen from the morality books, and to facilitate that development, as can be seen in the merchant manuals. That a "pure" merchant culture existed beyond the reach of Confucianism, however, fails to acknowledge that "there is *no* whole, authentic, autonomous 'popular culture' which lies outside the field of force of the relations of cultural power and domination" and that "what is essential to the definition of popular culture is the relations which define 'popular culture' in a continuing tension (relationship, influence, and antagonism) to the dominant culture."<sup>15</sup> We thus must recognize both the success of the elite in inculcating their modified values and the success of mid-level merchants in further modifying those values, even as they generally accepted the overall message of the elite.

### *The Structure of the Merchant Manual*

Merchant manuals had their roots in the family instructions and in the route books (*lucheng yilan*) that were guides for gentry and merchants during the late Ming. Some early manuals can be dated to the last decades of the Ming. However, the merchant manual only fully emerged as a distinct genre during the eighteenth century.<sup>16</sup>

The merchant-authors of the manuals employed a coherent and consistent approach supported by realistic and detailed instructions on how their readers could become both prosperous businessmen and respectable gentlemen. The authors of the main texts considered here generally share the same overall approach to business.

Chinese and Japanese scholars pioneered the study of merchant manuals and have tried to clarify the context from which they emerged. The Chinese scholar Ju Qingyuan first brought the genre to the attention of other scholars in the 1930s. In the stalls of Beijing's famed book district, Liulichang, he discovered books written by merchants on their activities, experience, and knowledge, which he purchased for nominal sums (ten or twenty cents) and then republished and analyzed in two articles.<sup>17</sup> Shiba Yoshinobu, in a more recent study of a late Ming guidebook, noted that beginning in the Song dynasty (960–1279), as competition for wealth and social position intensified, families expanded the range of occupations considered suitable for their members.<sup>18</sup> A need therefore arose for more practical knowledge and information than offered by the classical texts. Shiba emphasized, however, that the pocket-sized late Ming manuals for travelers were not only merchant manuals, as some other Japanese scholars had claimed, but also convenient guidebooks for both merchants and gentry (*shi*—the landed and degree-holding elite). Beginning as simple geographical guides, these books soon came to include behavioral rules and practical information for both groups. Specific sections, he noted, did come to be devoted to commerce. Mizuno Masaaki, in a 1980 study, claimed that the late Ming guidebooks for gentry and merchants reflected the increased social mobility of the late imperial period.<sup>19</sup> The book he studied, the *Xin'an yuanban shishang leiyao* (The Original Edition of the Xin'an Encyclopedia for Gentry and Merchants) contained strategies and advice for commercial success. Significantly, both Shiba and Mizuno examined late Ming books written for gentry and merchants from

Huizhou, the prefecture known for producing merchants. These early guides, then, seem to reflect an emerging gentry-merchant culture, which the Chinese scholars Zhang Haipeng and Tang Lixing discuss in their work on Huizhou.

Another Japanese scholar, Terada Takanobu, argued that the merchant manual, with its “knowledge, training, and other matters relevant to business,” emerged because of the commercial activities of the Huizhou, Shanxi, and Shaanxi merchants during the late imperial period.<sup>20</sup> Because the purpose of the merchant manuals was to help people achieve success and attain wealth through commerce, Terada also saw them as responding to the more fluid social situation of the late imperial period. He observed that the advice was written in the form of family instructions and was meant to serve as a primer on commerce and be passed on to later generations. Xie Guozhen, the eminent Chinese scholar and bibliophile, believed that the appearance of late Ming works such as the *Shangcheng yilan* (Guide to Merchant Routes) must be understood within the overall context of the revival of the southeastern coastal economy and the development of urban commerce.<sup>21</sup> He specifically related these books to the needs of the Huizhou merchants and their business activities in the far-flung parts of the empire. The Chinese writer Li Hu also linked the appearance of the manuals to the development of the commercial economy beginning in the Song and emphasized the changing nature of commercial activity and the rise in respectability of the merchant profession.<sup>22</sup>

Morita Akira located the origins of the merchant manuals in “the great renaissance” of commerce during the Qing dynasty. “Accompanying their dynamic and energetic rise, the merchant stratum began to write in their own words for the purpose of making money and defending themselves.”<sup>23</sup> For Morita, however, merchant manuals such as the *Shanggu bianlan*, which we will examine here in depth, represented commerce during China’s late feudal period (Qing). The intrusion of capitalism into China at the end of the Qing dynasty made this type of guidebook increasingly irrelevant and brought about its decline. The American-based scholar Yü Ying-shih has suggested a connection between merchant manuals and broader philosophical developments during the late imperial period. In an article on Confucian thought and economic development, he noted that words such as *bokao* and *tongkao* (roughly, broad investi-

gation) included in the titles of some merchant manuals hint at a connection with the Ming and Qing philosophical school of textual research.<sup>24</sup>

Most of these scholars agree that actual merchants wrote the Qing merchant manuals and that these guidebooks accurately reflect the commercial world and the merchant mentality of the time. They all, moreover, view them as a response to the various dynamic forces unleashed during China's late imperial period, and they stress the importance of the commercialization of the economy and the resulting heightened social mobility in providing the context for the appearance of the manuals.

The handbooks chosen for my study were all once widely used. I will concentrate on the *Maoyi xuzhi* (Essential Knowledge for Trade, hereafter *Essential Business*), ostensibly written by Wang Bingyuan and included in compilations appearing in 1854 and 1900, and the *Gongshang qieyao* (Essentials for the Artisan and Merchant, hereafter *Essentials for Tradesmen*) and the *Jianghu bidu* (Essential Reading for Travelers, hereafter *Essentials for Travelers*), both included in the larger *Shanggu bianlan* (Guide for Traders and Shopkeepers, hereafter *The Merchant's Guide*), compiled by Wu Zhongfu in 1792.<sup>25</sup> Reference will also be made in this study to a number of essays in the second volume of the *Shanggu bianlan*, which for convenience will be attributed to the compiler Wu Zhongfu. For purposes of comparison, I discuss the *Dianye xuzhi* (Essential Knowledge for the Pawn Trade, hereafter *Essential Pawnbroking*), a manual written in the 1880s for sojourning Huizhou merchants of a somewhat higher status and published in 1971 by Yang Lien-sheng. In addition, two late Ming works are considered, also from Huizhou, the *Keshang yilan xingmi* (Solutions for Merchants at a Glance, edited 1635, hereafter *Solutions for Merchants*) and the *Xin'an yuanban shishang leiyao* (Original Edition of the Xin'an Encyclopedia for Gentry and Merchants, hereafter *Encyclopedia for Gentry and Merchants*), which mark the transition from the family instruction guidebook to the merchant manual.<sup>26</sup>

The content of these manuals varies considerably. Some authors chose to linger on problems that others apparently did not believe worthy of consideration. Wang Bingyuan, the reputed author of *Essential Business*, directed the first seventy of its 120 short essays at the apprentice studying to become a clerk or shopkeeper.<sup>27</sup> In the first thirty-eight, the author informed the beginning apprentice of his

initial duties, impressed upon him the importance of establishing a proper relationship with his teachers, imparted to him important values, and instructed him on rules of comportment and habits of eating and drinking. The 1854 edition of the manual was included in a collection edited by a Gansu compiler, and the language of the manual itself has a northern, colloquial flavor. The 1900 edition, however, was published in Shanghai and included new material relevant to the Jiangnan area at the turn of the century.

The author based his instruction not only on common sense and pragmatism, but also on quotes or paraphrases from the Four Books (both attributed and nonattributed) and other classics, on the ancients, and, most commonly, on sayings most likely indigenous to his native area. Some of the quotes from the Four Books had probably already become common proverbs at the time he wrote the manual and were therefore not necessarily indications of advanced learning. Like most of the merchant-authors, he did not use stories from popular literature to reinforce his advice.

*Essentials for Tradesmen* is found on pages fifteen to twenty-five of the first volume of *The Merchant's Guide*. Much smaller in size (twenty-three essays) than the *Essential Business* manual, it was meant for both traveling merchant apprentices and shop apprentices. The first four essays were written for the parents of prospective apprentices, the next eight for the apprentice traveling merchant, and the final eleven for the shop apprentice and shop owner. In fact, because the shop owner often dispatched his employees into the hinterland to buy goods or collect debts, people during that time probably did not draw a sharp distinction between the two categories of merchants.

In contrast to the *Essential Business* manual, which concentrates more upon building the character of the apprentice, *Essentials for Tradesmen* focuses on actual duties. Geography may explain the reason for these divergent educational approaches. Wu Zhongfu, the compiler of and contributor to *Essentials for Tradesmen*, hailed from Jiangxi province and lived and worked in the lower Yangzi valley, but the author of *Essential Business* was most likely from the Gansu-Shaanxi area.<sup>28</sup> Since elementary schooling was more widely available in the more prosperous south, the author of *Essentials for Tradesmen* most likely assumed that the beginning apprentice had already received two to four years of character training in village or town schools and did not need to have the training repeated. The north-

ern author, on the other hand, may have been forced to assume that the apprentice's commercial training was his first schooling of any kind.

An alternative explanation is that the original edition of *Essentials for Tradesmen* represented a more pragmatic approach to training. Although *Essentials for Tradesmen* contains a number of essays influenced by Confucian moral training, most of these might very well have been added by the compiler, Wu Zhongfu, who made his Confucian predilections clear in the preface to *The Merchant's Guide*. The main body of the text by and large offers concrete reasons to back up its advice and almost never relies on quotes from the classics or even on common sayings.

*Essentials for Travelers* (107 essays), also contained in the first volume (pages one through fifteen) of Wu's compilation, does not deal specifically with the training of an apprentice, unlike the other manuals.<sup>29</sup> This manual is almost exclusively concerned with human relations in business and embraces many aspects of the Confucian tradition. The author addresses the problems of traveling merchants, shopkeepers, and, to a lesser degree, brokers, and he probably aimed at a readership of somewhat higher social status than *Essential Business* and *Essentials for Tradesmen*. He also relies on common sense to make his points and does not resort to quotes of any kind. He does, however, occasionally warn the reader that certain types of behavior are dishonest, selfish, or unbecoming of a gentleman, but offers no further explanation.

The *Shishang yaolan* (seventeenth century), an independent book included in the second volume of *The Merchant's Guide*, contains the same essays as *Essentials for Travelers*, although arranged in a different order. The rather long preface, however, provides some extremely concrete advice for traveling grain merchants. The author never discusses moral training, never quotes from the Four Books (although he does quote from the *Daodejing*), and gives only business-related reasons for his advice. In contrast, the *Shishang shiyao* (The Ten Musts for Scholars and Merchants), which was included in the same compilation of *The Merchant's Guide*, shows a more Confucian perspective, albeit one directed toward practical ends. Wu Zhongfu is possibly the compiler of these collections of essays. He achieved a certain degree of fame as a compiler-author of merchant manuals, and we find his name attached to a mid-nineteenth-century manual



for silver merchants.<sup>30</sup> However, publishers during the late imperial period frequently, if unethically, pirated the names of well-known authors or compilers for their own publications.

*Essential Pawnbroking*, consisting of twenty-five essays (one extremely long), twenty-five rules, and one song, was written for apprentices in the pawn trade in the 1880s.<sup>31</sup> The author, a native of Huizhou, Anhui, the prefecture known throughout the empire for its merchants, was in charge of a guild in Zhejiang and wrote the manual for his fellow townsmen who left home to become apprentices in his guild. Although the pawn trade was in decline by this time, it was still considered one of the more prestigious occupations in Qing China. The *dian*-type pawnshop was common in urban areas and was heavily capitalized.<sup>32</sup> As we will see in the next chapter, the values of the gentry and merchants had already melded in the author's area during the late Ming. This long-term development undoubtedly affected the author, who wrote in a more refined style than the authors of the other manuals and who esteemed many of the values held by the elite authors of family and clan regulations. *Essential Pawnbroking*, together with the two late Ming Huizhou guidebooks (on a more limited basis), thus serves as a useful contrast to the other manuals and highlights the distinctions between different levels of merchants.

*Essential Pawnbroking*, even more than *Essential Business*, stresses character building, and well over half of the manual is concerned with this aspect of the apprentice's training. The author quotes from the Four Books, uses local proverbs, and not infrequently offers pragmatic reasons for accepting his advice. Unlike the other authors, he did employ popular literature—characters from Beijing opera—in one essay to advance his argument.

Essays in *Essential Business* and *Essentials for Tradesmen* are directed at the shop owner, the parents of the prospective apprentice, and the apprentice himself. Thus, at the beginning, certain essays may have been read to the apprentice. In addition, the authors do not for the most part focus on any one trade but aim their message at all apprentices or young merchants.<sup>33</sup> The all-purpose nature of these merchant manuals probably explains, in part, their continued popularity into the twentieth century. *Essential Pawnbroking* was, of course, trade specific and contained no essays for the parents, although several were directed at the pawnshop owner.

### *Merchant Manuals and Their Use*

Who were the authors of these manuals? Why did they write them? What segment of society was their audience?<sup>34</sup> Unfortunately, we know almost nothing about the authors of the merchant manuals. This lack of knowledge is not unusual for written material produced in the late imperial period by writers outside the elite. We can, nevertheless, venture some educated assumptions about their lives.<sup>35</sup> First, the authors belonged to the same group as their intended readers. The manuals were meant for merchants, and in order to write them the authors had to have some commercial experience. Wu Zhongfu, in the preface of *The Merchant's Guide*, discusses his own commercial background and extended tenure as a merchant, experiences that would have greatly aided his understanding of his audience.<sup>36</sup> Members of the upper social strata, such as the morality book authors, who lacked commercial experience, would not have been able to write as accurately and as sympathetically for a merchant audience. In fact, the merchant-authors were deeply rooted in the merchant culture of the time. They recorded their perceptions of the commercial world, contemporary business practices, and values that had emerged earlier in the imperial period and that were a result of the twin pressures of the commercialization of a minimally regulated economy and the widespread indoctrination in Confucian values. The authors of these merchant manuals were not themselves the original interpreters of or mediators between the values of the dominant classes and the merchants. In other words, they did not one day sit down with their writing brushes and decide to adapt Confucianism to the needs of tradesmen. Instead, they were enterprising members of society who saw opportunity in the recording, systemizing, legitimizing, defending, and perhaps even sanitizing of a culture that had gradually emerged and evolved over time. They may have also taken the authoritative "ancient sayings" spouted by elder merchants and expanded upon them.<sup>37</sup>

Although the manual authors were from the merchant culture, the experiences of the authors and their audience were not exactly the same. The authors probably had a better command of the Confucian body of knowledge and of writing, even though their own writing lacked the eloquence of the elite writers. If the merchant-authors did receive a classical education, or even the beginnings of one, we cannot tell this from their writing style, for the manuals were

written in the vernacular. The authors all, however, were imbued to some extent with the desire to teach Confucian morality.

Wu Zhongfu's education might have been typical of the authors as a whole. A practicing merchant, Wu had received a scholarly education in his youth before beginning his commercial training. Claiming to have come from a family of scholars, he, like his father before him, had been driven into business by ill health. Despite the rise in merchant status during the late imperial period, ill health was still a standard pretext (as was poor land or the lack of land) scholars used when they abandoned their writing brush for the abacus; we should not necessarily take Wu's claim literally. That Wu still resorts to this pretext in the eighteenth century may demonstrate the limits on growing merchant self-confidence. Ill health might also have been a device used by the author to establish his credentials and create a bond of sympathy with his better-educated readers, the poor Confucians. Advice from a man of some scholarly attainment who, like themselves, had been forced by circumstances into the commercial world would have added to a manual's appeal and eased the psychological difficulty of the transition to a new career. However, Wu himself apparently regarded the compiling and editing of these merchant manuals as a way to continue his scholarly activity by influencing members of his occupational group with his Confucian learning. Implicitly, he was contending with the authors of morality books and popular Confucian tracts.

Wu's ambition as a merchant-scholar was not without precedent. Wang Gen (d. 1540)—a prominent follower of the late Ming philosopher Wang Yangming—and the nonelite members of his Taizhou school of Confucianism served as role models providing practical instruction in Confucian principles to the subordinate classes. Wang had received about five years of education in a village school before being forced to join the family business. He nevertheless continued his interest in Confucian learning during his career as a salt dealer, evidence that moral self-cultivation and the study of ethical principles as a proper pursuit for persons for whom a scholarly career was neither possible nor desired was gaining considerable credence in the late imperial period.<sup>38</sup> Wu also claimed that his father maintained his Confucian cultivation even as he plied his trade as a merchant. The well-known early Qing author Pu Songling made a similar claim: "My father Pu Minwu showed talent in his youth and was fond of study; but he remained a country scholar who gained no recognition.

As the family was poor, he gave up study and went in for trade; and in twenty years or so became well off. But when he was over forty and had no son, he stopped trying to make money and stayed at home to study, never leaving his books, until all good scholars praised his learning." Pu Songling wrote a short story in which a father on the verge of retirement advises his academically talented son, "Son . . . books cannot fill your belly or put a coat on your back. You had better follow your father's trade." Later on, the son's learning is acclaimed even though he makes a living as a merchant.<sup>39</sup>

Wang Gen and his followers held public lectures and discussions to communicate their version of Neo-Confucianism to the subordinate classes. These presentations were a kind of oral antecedent to the written professional manuals. From the perspective of the more orthodox elite they were all shockingly uneducated and their writings deplorable. In addition, the commoner teachers of the late Ming Three Teachings cult, led by Lin Zhaoen, were among the many involved in public education and lecturing who may have provided the manual authors with an even more unorthodox role model. They also used public preaching to convey a message that, despite its syncretism, was heavily influenced by Neo-Confucian self-cultivation practices.

Although the manual authors were better educated than some of their readers, both occupied the niche in late imperial society that David Johnson has referred to as "literate/self-sufficient." This category includes people who were "at least functionally literate and perhaps quite well read, but not classically educated." Some, such as Wu Zhongfu, may have received the beginnings of a classical education. Although the members of this group did not have any legal privileges, except for those poor Confucians holding degrees, they were economically self-sufficient and independent. The poor Confucians were better educated than most in this category, but even their level of education should not be exaggerated.

Merchant-authors saw the writing of manuals as one way of continuing their scholarly career, but they probably had other motivations as well. The compilers often explicitly stated their reasons for creating these works in the preface. Wu Zhongfu, for example, claimed that no other advice books for shopkeepers existed.<sup>40</sup> Another compiler, Xi Qiu, from Gansu province, wrote in 1854 that an oral education in commercial affairs was no longer sufficient and the need existed for the collective commercial wisdom to be recorded so

that merchants could take it with them when they traveled.<sup>41</sup> The compiler of a silver trade manual wrote in 1826 that in his degenerate age, "People's hearts are not as of old and people constantly think of benefiting themselves and not helping others."<sup>42</sup> (We see here the depiction, common in merchant manuals, of the merchant as innocent and the public as dangerous, converse of that found in the morality books.) The manual would therefore help protect honest artisans and merchants from these greedy and unscrupulous people. An editor of a 1900 revised version of the popular encyclopedia, the *Wanbao quanshu* (A Complete Book of Myriad Treasures), pointed out how handsomely the Europeans had profited by devoting themselves to the study of commercial manuals and decried the lack of this kind of book in China. He did extoll one manual, however, that discussed the affairs of traveling merchants and shopkeepers. He did not specify why he chose this particular manual; perhaps his choice attests to its popularity. At any rate, this manual was an updated version of *Essential Business*, probably originally written during the eighteenth century. The 1900 edition did contain a limited amount of recent information, a further indication that such manuals were meant to be practical guides for the Qing merchant.

Monetary gain was undoubtedly another important goal of both author and compiler. The authors themselves most likely viewed these manuals as commercial opportunities and were partly motivated by profit. The number of markets, after all, increased by about thirty thousand from the sixteenth to the nineteenth centuries, and new businesses must have been opening all the time.<sup>43</sup> In general, we know that the expansion of commercial publishing during the late imperial period reflected the spread of literate culture and responded to the needs of both the subordinate classes and the elite. Providing information on commercial life was simply another one of the eighteenth century's plentiful economic opportunities. The conservative establishment's failure to address merchants' real needs and to show respect for their changed status left a gap for these merchant-authors to fill. The compilers were certainly aware of the market for their manuals. Wu Zhongfu mentions in his preface that in poking around bookstores he discovered many guidebooks for traveling merchants but none for shopkeepers. The compiler of an 1854 work noted that although the market was already inundated by advice books on commerce, most were crudely written and poorly organized.<sup>44</sup>

The authors were also responding to business and moral needs

that had developed as a result of the continuing commercialization of the economy during the late imperial period. Their works offered guidelines on business practices and practical ethics for the increasing number of tradesmen and traveling merchants. Those who had risen to the ranks of mid-level merchant were shown the ropes of the commercial world and supplied with a worldview consonant with their new status. The poor Confucians were given realistic business advice and reassured about their status as Confucian gentlemen. The manuals also taught them how to train family members and apprentices to be moral individuals, thus in some sense allowing them, like the authors themselves, to continue their scholarly mission.

Beyond continuing their scholarly careers, providing practical advice, and making money, the merchant-authors participated in a discourse on social hierarchy, status definition, and commercial morality and practice that was begun by the narrowly orthodox Confucian educators, morality book authors, and benevolent society lecturers. It is no coincidence that the merchant manuals became a distinct genre shortly after benevolent societies began to arise and the ledgers of merit and demerit began to change.<sup>45</sup> All of the manual writers can be considered “readers” of the popularized Confucian tracts and morality books produced by the establishment elite.<sup>46</sup>

We thereby hope to understand how people immersed in the actual commercial world read those texts, disputed their contents, and entered into a discourse with their authors. In contrast to the elite authors who portrayed themselves as representing the interests of an innocent society victimized by scheming merchants, the merchant-authors championed the merchants and rejected the labeling of them as society’s enemies or people capable of attaining only a low level of virtue (the poor Confucians joining the commercial ranks must have lent force to this argument). They presented merchants as respectable gentlemen, fully capable of living virtuous lives. These tradesmen, in fact, had to be wary of a devious public constantly probing for advantage. Indeed, the merchant manuals must be seen in the larger context of the literature produced in the seventeenth and eighteenth centuries by elite dissenters such as Pu Songling and Wu Jingzi. These writers demonstrated the hypocrisy and moral bankruptcy of the elite while showing that people of humble background were perfectly capable of leading the moral life so treasured by the elite.<sup>47</sup>

Here, then, we see a battle of “competing representations,” which according to Roger Chartier are as important as actual reality: “Instruments of power, the stakes of struggles as fundamental as economic ones, the systems of classification or images of the social order all transform this very order by modifying the demands (of wealth, title, or behavior) attached to one position or another, [and] by shifting the frontiers between groups, first in the imaginary realm and then in the factual, even bringing into existence new groups or new classes.”<sup>48</sup> The conflicting representations of merchants mixed elements of truth—there were undoubtedly many devious merchants as there were undoubtedly many upright merchants—to create images that reflected different social goals: the morality book authors sought to slow social mobility and the merchant-authors sought to bolster the respectability of merchants in society.

The intended audience of these manuals was of course the merchant community, including apprentices, beginning merchants, and people who sought to join merchant ranks. More specifically, these books were meant to reach those seeking economic opportunity, being pushed off the land by population growth, or falling away from the scholarly world, as well as those already in business looking for a realistic set of values and systematized business information for themselves or for their apprentices. These people would have been ordinary businessmen in all trades without great wealth or powerful social and political connections. But did apprentices and those seeking to enter the business world actually read these texts? Certainly, a large segment of the population was literate and no doubt able to read these manuals.<sup>49</sup> Evidence overwhelmingly suggests that they did.

First, a number of versions of each of the manuals discussed here have been located in different libraries, indicating that a large enough audience must have existed to make it worthwhile for someone to copy or reprint the originals. Indeed, the two main works discussed here, *The Merchant's Guide* and *Essential Business*, were compiled in 1792 and 1854, respectively. As the Chinese population increased from 150 million to 400 million between 1700 and 1850, the compilers must have been well aware of the increasing number of people scrambling to find ways to support themselves and their families. The historian James Hayes, moreover, discovered a woodblock-printed work in Hong Kong, issued in a separate, inexpensive edition, similar to the *Manual for Apprentices in Trade* found in the 1905

Foshan almanac.<sup>50</sup> These almanacs, he notes, reached many people and seem to have been quite cheap. One of the most widely published of the popular encyclopedias from the Ming and Qing dynasties (*Wanbao quanshu*) contains a copy of a merchant manual. While it has been argued that the appearance of these works simply indicates that the authors or publishers felt the material ought to be read and therefore they published it anew, commercial firms would likely have republished the encyclopedia or manual only if it had proved popular and earned them a profit. Peter Burke speculates that market forces—what sold well—had the greatest influence on publishers in early modern Europe, and the same no doubt was true in the increasingly commercialized world of Ming and Qing China.<sup>51</sup>

In addition, self-help literature enjoyed a golden age during the late imperial period, providing information on everything from passing the imperial civil service examinations to improving one's sex life, and people from many walks of life sought guidance from these handbooks. Their authors wrote for the market to meet the needs of a populace living and working in a rapidly changing world, and the emergence of merchant manuals must be understood within this broader context. Students during the Qing, for example, commonly used preparatory books to study for the imperial civil service examination, and poor Confucians would naturally turn to a similar kind of self-help book when beginning a new career in commerce.

The structure of the commercial texts also supplies evidence of their widespread use. The short paragraphs with brief, pithy titles suggest they were designed either to be easily committed to memory or to be used as a handy reference. According to Sidney Gamble, apprentices in the early 1920s were taught aphorisms (which are identical to ones found in the Qing merchant manuals) by constant drill, suggesting a process of oral teaching and learning conducted by the master of the shop.<sup>52</sup> However, apprentices may have themselves read from the manuals following the practice of earlier centuries. According to a Qing scholar, "One must read it over so many times that it naturally rises to the mouth, and will not be forgotten for a long time."<sup>53</sup> The colloquial language, rather than the more formal language of scholars, made it easy for those without advanced education to read these books.<sup>54</sup>

Some caveats are in order here. These manuals should not be seen as embracing the totality of the culture of the merchant class.



Their authors were certainly steeped in the merchant culture of the day, yet significant areas of the merchant experience are excluded from these works. Merchants during the late imperial period, for example, certainly worshiped the god of wealth (*caishen*), but the authors make no mention of this activity. The manual authors, likewise, undoubtedly weeded out some of the seemingly less respectable (in the view of the dominant classes) aspects of the merchant culture that might be found in popular stories, daily conversations, or popular religion. We can furthermore speculate that slightly different social and economic positions, even within the merchant community, as well as personal quirks, may have influenced a particular merchant-author's worldview to some degree. I supplement the merchant manuals with works of fiction, morality books, ledgers of merit and demerit, family instructions, and Western traveler and anthropological accounts of the nineteenth and early twentieth centuries to obtain an accurate picture of merchant life and a sense of the larger commercial world.

Using what we know of the late imperial commercial world as well as these works of fiction, family instruction, and Western accounts, we can characterize contemporary merchant practice, isolating its features from the merchant-authors' personal, idiosyncratic practices. Although these manuals are not a precise transcription of the world of the mid-level merchant, the authors' commercial experience and the demands of the market do bring us much closer to that world than any other source of the period.

In addition, we do not know how individuals read or interpreted a text and what other knowledge they may have brought to it that perhaps altered the author's message. For example, a farmer who grew cash crops may have found his skills applicable to the commercial world. Nor can we know which sections readers may have read carefully or which ones they may have skipped because the contents were too obvious, irrelevant, or contrary to their own beliefs or practices.

Finally, the other cultural depictions provided by the sources may not be wholly accurate. Fiction, for example, must be used carefully, though most scholars believe that the bountiful information on commerce and merchants contained in works such as Feng Menglong's *Sanyan* collection accurately reflects social and economic life during the late Ming. Western observers in the nineteenth and early twentieth centuries also had their own skewed perspective on Qing China.

Despite these difficulties, the sources used here allow us a rare glimpse into the lives of people not belonging to the educated elite, now given a voice by their rising self-confidence, increasing literacy rates, and a thriving publishing industry. We will see how people in the middle of Chinese society, neither rich nor poor, understood their rapidly changing world, adapted elite values to their own purposes, redefined their social and moral status, and contributed to a dynamic commercial economy. Recognizing these developments adds shading and nuance to a landscape painting of Ming and Qing China all too often dominated by the brushstrokes of the elite.

# I THE LATE IMPERIAL WORLD: COMMERCE, EDUCATION, AND SOCIETY



At first glance, the moral dictates found in the *Sacred Edicts* and morality books dominate the landscape of Ming and Qing China. Yet when we survey the terrain more closely, we see that contemporary social, cultural, and economic developments had made possible an alternative vision of commercial life. The self-cultivation approach to commerce can only be understood within the context of macro-trends only recently identified and described by scholars. These trends shaped the culture of the mid-level merchant and created the conditions for its commitment to written form.

The commercialization of the economy, as well as the increase in the number of market towns, generated economic opportunities for people in the lower reaches of society, allowing more of them to open shops or to engage in itinerant trade. Increasing social mobility, combined with the perception of social mobility, helped shape the mid-level merchant culture of the Ming and Qing dynasties.

The elite's long-standing efforts to inculcate the subordinate classes with Confucian ideas, values, and practices familiarized these classes with the elite version of Confucianism and its vision of an ideal agrarian society. The emphasis on education and the civil service examination system during the Ming and Qing led to more people writing these popular Confucian tracts and to more people reading them as well. The Taizhou philosophical school and prominent merchant communities such as Huizhou also created the preconditions for mid-level merchant culture and provided models for the merchant manuals. In addition, the great emphasis on the self and the individual's ability to control his or her destiny seems not to have died with the Ming dynasty but to have continued in the economic world of the Qing. The importance of self-cultivation in merchant culture, may indicate that the late Ming Taizhou philoso-

pher's emphasis on the subordinate classes had not been without influence.

Beginning in the late Ming, the tendency of the elite to move from countryside to town and city meant that others in the urban or semiurban social order, now with some economic resources and aspirations toward social mobility, had the elite squarely before them as a model to emulate. Sojourning merchants also provided models of the gentleman merchant equally versed in commerce and Confucian ethics.

A minimally regulated economic environment and all of its obstacles and dangers made self-cultivation a rational strategy for economic success. People pursuing economic activities to varying degrees depended on the self rather than on an activist regulatory government. The tremendous mid-Qing population growth meant that people forced from the land would seek a living in the commercial sector and that the growing number of marginal and criminal people in towns, cities, waterways, and roads would make commercial life increasingly dangerous. People drawn into commerce by economic opportunity or pushed into commerce by population pressure created a large market for a realistic guide to the activities of the commercial world. In addition, the Qing decision not to raise significantly the number of official civil service positions—even as the population skyrocketed and as people persisted in the belief in upward mobility through the examination system—meant that many aspiring officials would have to drop out during the grueling examination preparation process and look elsewhere to earn their livelihood. These people also needed information on commerce and inflated the market for the merchant manuals.

### *The Broad Context*

China's first "commercial revolution," or the "medieval economic revolution," occurred over the late Tang-Song period (ninth through thirteenth centuries).<sup>1</sup> The growth of cities, the lessening of government control over commerce, the increase in consumption, the use of paper money, improvements in communication and technology, the expansion of foreign commerce, and the establishment of a national market all signaled the emergence of a more commercialized economy in China.<sup>2</sup> As a result, new occupations appeared and older ones became more specialized, as was clear by the late Ming.

China's second commercial revolution built on the economic developments of the Song. Spanning the late Ming (1550–1644) and high Qing (1680–1820) periods, it began with improvements in transportation, the influx of silver from abroad, the rise of a textile industry, and the breakdown of governmental market controls in the fifteenth and sixteenth centuries. The dynamism of this period suffered only temporary disruption as the Ming dynastic house fell and the Manchus established their own dynasty. In fact, many of the new dynasty's early policies, such as tax exemptions for war-ravaged areas and the reconstruction of water-control projects, helped to restore the economy quickly.<sup>3</sup> The Qing conquest of Taiwan in 1683 heralded the end of resistance to the Manchus and ushered in an era of peace and prosperity that lasted until the end of the eighteenth century. Despite ensuing political, economic, and demographic difficulties, China, by the late nineteenth century, had become "one of the most highly commercialized preindustrial societies the world has seen."<sup>4</sup> Several important economic developments during this second commercial revolution made possible changes in the culture, self-perception, and social status of merchants.

The expansion of transportation networks during the Ming dynasty created the preconditions for the growth of trade and the commercialization of the economy. The private sector opened new trade routes, while the government allowed private merchants to use public networks such as the Grand Canal. Early in the Qing, the government and local elites took responsibility for removing silt from such important waterways as the Grand Canal and the Yangzi River, allowing for the passage of boats and thereby facilitating commerce. During this time the focus of international trade switched from Central Asia to Southeast Asia, and the corresponding shift from land to water transportation produced a great increase in the volume of trade.

The growth of commerce influenced the monetization of silver. This development was reflected in both the late Ming Single Whip fiscal reforms, which converted taxes paid in kind to taxes paid in silver, and the early-eighteenth-century merging of the *corvée* and the land taxes into a single tax paid in silver. These measures further monetized the economy. The resulting need for greater amounts of silver was met during the late Ming period by the importation of silver from Japan and Mexico, and during the mid-Qing by the payment of silver by the British for tea and silks. The flow of silver was

severed toward the end of the Ming but resumed after the Manchus conquered Taiwan and foreign trade was reestablished. This foreign silver in turn fueled the commercial expansion of the late imperial period.<sup>5</sup>

In addition, the routinization of bulk interregional trade created concentrations of local-origin merchant groups in urban areas throughout the empire, of which the most well-known were the Huizhou (prefecture of Anhui province) and the Shanxi merchants. One of the manuals examined in this study specifically addressed apprentices in the pawn trade from Huizhou working in Zhejiang province. These merchants assumed important roles in the informal governance of their adopted cities and achieved positions of respect in the community.

Despite these great changes during the late imperial period, the economy remained overwhelmingly agrarian, with 95 percent of the population still living in villages and market towns.<sup>6</sup> Nevertheless, the growth in trade and the commercialization of the economy did bring most peasant households, at least partially and subject to regional variation, into the market economy and expose them to a world beyond their own village. Although most peasants families remained somewhat self-sufficient during this period, they now depended to an even greater degree on goods they themselves did not produce, routinely buying such items as salt, vegetable oil, needles, iron tools, and cooking utensils.<sup>7</sup> In turn, a percentage of the goods they produced, which included not only commercial crops but also sideline handicrafts, were offered for sale on the market.

As a result of the integration of peasants into the market, a demand arose to meet their resulting needs and those of a growing urban population. G. W. Skinner has demonstrated how, in each of China's nine macroregions, graduated marketing hierarchies came to connect villages, market towns, and cities without allowing a dramatic gap to separate the rural and urban worlds.<sup>8</sup> Marketing networks sequentially linked villages, standard market towns, intermediate market towns, central market towns, local cities, and regional cities. Agricultural and handicraft products entered this market network at the standard market town, which also served as the final destination for products directed toward peasant consumer needs; shops selling "such items as looms, needles and thread, brooms, soap, tobacco and matches" were located at this level of the network.<sup>9</sup> These shops also extended credit to their peasant customers. Inter-

mediate market towns contained more sophisticated shops and services (often catering to the regular needs of the local elite) than the standard market town, but they served a similar purpose in directing goods both up and down the marketing network. The number of these standard and intermediate market towns situated between the large cities and the countryside increased dramatically beginning in the late sixteenth century:

The origins of these market towns were many and varied. They grew up around temples, around the manors of great landlords and the county residences of important merchants, and even around industrial undertakings such as pottery works. They appeared at nodes in the transport system, at bridges, at the intersection of waterways, at resting-spots along main water-routes, and at customs houses in "places through which merchants have to pass." They were the by-products of the location of official salt stores, military stations and arsenals. Sometimes they were set up by influential persons as a deliberate act of will. In other instances they were the outcome of accident, as when bad harvests in a region forced the inhabitants into commerce, or rebels overlooked a village in their otherwise thorough plunder of a countryside. Some of them straddled county borders. All of them helped the flow of persons, goods, money, and ideas locally, regionally, and nationally.<sup>10</sup>

The emergence of these new marketing centers and trade networks created new opportunities for neophytes wishing to enter the commercial world as shopkeepers, small traders, and even brokers (middlemen). "Markets were . . . an entry point for attempts at upward mobility by peasants, artisans, peddlers, laborers, or the unemployed. With luck, a small loan or a small investment could yield high returns."<sup>11</sup> New markets and better communication links encouraged new habits of consumption and created a greater need for small and medium merchants—the mid-level merchants of this study—to aid the circulation of various goods. Moreover, these changes, specifically the elaboration of marketing networks, opened up markets for the authors of the merchant manuals and channels for the transmission and homogenization of merchant culture. The greater articulation of marketing hierarchies during the late imperial period thus serves as a key to the flourishing merchant manual and the values it promoted.

Yet, mid-level merchants inhabited an insecure world where bankruptcy threatened and descent into the ranks of the urban or rural poor was not uncommon. Bureaucratic interference, crime, economic downturn, and natural disasters could sharply narrow the margin between success and failure. In addition to the difficulties presented by a lightly and indirectly regulated economic environment—such as nonstandardized currency and weights, primitive to nonexistent road systems, and the lack of adequate police protection—both commercialization of the economy and population growth sharpened competition. A Chinese scholar describing Ningbo at the turn of the century wrote, “Since the Chinese is very thrifty, the wage worker soon saves for himself a small amount of capital. Thus it becomes possible for him to buy raw materials himself, to equip a workshop, and to produce on his own account.”<sup>12</sup> Farmers poured into late imperial cities seeking opportunities while others poured out, having failed to establish themselves:

Intense competition for scarce urban jobs and for the hundreds of thousands of shops in all of the cities of China . . . caused a rapid turnover. Intercity and intracity migration of people in transport, craft, and merchant activities was common. The short-term rentier . . . was a phenomenon of a situation of low demand and potentially great supply.<sup>13</sup>

The volatility of the market in a more commercialized economy further increased financial insecurity. Several severe downturns rocked the economy during the Qing dynasty and caused havoc in the commercial sector. Population growth also increased the number of indigent people in towns and cities (already noticeable during the Ming) and led to higher rates of criminality, thus increasing threats to the unhampered pursuit of profit.<sup>14</sup> Lacking the kind of financial and political support that the great merchants could readily muster, most mid-level merchants had to navigate around the dangerous shoals of the late imperial economy. Insecurity, as well as opportunity, characterized the commercial world of the late imperial period, and the experience of mid-level merchants cannot be understood without fully recognizing this duality.

What kind of role did the government play in this commercial economy? Were mid-level merchants affected by government policy? Like the dynastic rulers who came before them, the Manchus took



the small-peasant agrarian economy as their ideal. It would not only provide the state with revenue for the treasury and manpower for the army, but also keep land out of the hands of the local elite. The new rulers sought to maintain economic stability and provide for the people's basic economic welfare (*minsheng*). They did this to ensure the security of the dynasty and as part of a moral mission assumed by all dynastic rulers.

Under these circumstances, the Qing court taxed the Chinese people lightly, especially after the early eighteenth century, and established a modest governmental superstructure that assumed only minimal direct responsibility for regulating both the national and the local economies. And yet the government also valued a limited role for commerce as a source of social stability and, increasingly over the course of the dynasty, a source of revenue. Almost all officials agreed that merchants transferred goods from one part of the empire to another—an indispensable process. The dynasty therefore tried to ensure that markets ran smoothly and were not dominated by powerful and wealthy interests that might cause suffering and distress to consumers and small merchants. The state, after all, considered the modest family firm to be the most desirable form of commercial enterprise.<sup>15</sup>

Given its scarce resources, the government delegated partial responsibility for overseeing markets to merchants and local gentry in exchange for certain privileges.<sup>16</sup> Even so the government still kept its eye on the market: "Officials retained the prerogative to intervene directly when necessary . . . and to serve as last recourse for aggrieved parties, such as creditors, consumers, and small merchants."<sup>17</sup> These interventions aside, as the dynasty unfolded the government tried as much as possible to leave the running of the economy to the people themselves.

The central government, nevertheless, did assume certain direct duties related to the economy. When the Manchus came to power in 1644 they immediately implemented policies to bolster the agricultural economy, which had been wracked by decades of war. The new dynasty encouraged the reclamation of land, cleared silted waterways, built and maintained water-control projects, provided emergency relief (especially through the granary system which stabilized prices and prevented famines), and, at the county level, created ordinances to regulate the local economy. These governmental activities created the preconditions for eighteenth-century prosperity. In addi-

tion, the dynasty minted copper coins for the bimetallic currency system and established certain governmental monopolies. In general, however, the dynasty's role in the economy differed dramatically from that of activist modern governments. The central government sought to limit its presence in economic affairs and until the late nineteenth century had no interest in economic development.

In the late eighteenth and nineteenth centuries, governmental decline and fiscal crisis made it harder, though certainly not impossible, for small-scale merchants to rely on the government to regulate the economic environment or to provide help. In contrast, as trade began to provide more revenue during the nineteenth century, the government did become increasingly active in attempting to stimulate commerce. In sum, the government was concerned about the commercial economy but was not always in a position to provide adequate help to the mid-level merchant.

Population growth was a much larger force than the government in merchant life and helped shape the culture of the mid-level merchant. Between 1700 and 1850, the population of China rose from approximately 150 million to roughly 430 million, for reasons that remain somewhat unclear. The introduction of New World food crops, such as the sweet and Irish potato, the peanut, and maize in the fifteenth and sixteenth centuries, and the long years of peace ushered in by the Manchus after 1683 undoubtedly contributed significantly to this great demographic change. The new crops, for example, could be grown in sandy soil or on hillsides, and as a result the area under cultivation doubled from 1600 to 1850.<sup>18</sup>

Population growth meant more customers for mid-level businesses, but it also meant rising levels of crime and new sources of competition as people surged into towns and cities. Beginning in the late Ming, criminal gangs preyed upon mid-level merchants. Without effective government protection, merchant culture developed to protect merchants from criminal behavior. Moreover, people from rural areas took menial urban jobs, scrimping and saving to open small businesses of their own, a trend already obvious in the late Ming. If a business should falter, then others were always ready to establish one in its place. Merchant culture sought to differentiate merchants from this "rabble" and bolster confidence.

Although the information contained in the manuals had certainly been known to Chinese merchants for a long time, perhaps centuries, and at least some had even been recorded for Huizhou mer-

chants during the late Ming, this population explosion, along with commercialization and the expansion of market towns, created a large audience that spurred perceptive merchants to write down what they knew of their profession. Pressured by population growth, people looked for new ways to support their families and turned to the merchant manuals. In effect, the merchant-authors began to compete with elite writers trying to reach the same audience.

The expansion of elite educational efforts (discussed below) is inextricably linked to the expansion of publishing. The Song dynasty witnessed the birth of the great age of printing in China. Woodblock printing, the dominant technology of the industry, required almost no capital costs and allowed publishers to produce a wide variety of low cost books.<sup>19</sup> Once the blocks were carved, they could be stored and reused to print new editions with minimal additional cost. The process did not require highly skilled labor, and the cost of paper, ink, and wood was low. In fact, an individual or group of individuals could even bring together the necessary craftspeople and publish without a formal "publishing house."<sup>20</sup>

Although the Ming dynasty witnessed some technical advances, woodblock printing remained the dominant printing technology throughout the late imperial period. Commercial prosperity, educational expansion, and population increase fueled the demand for books and helped publishers keep prices low.<sup>21</sup> Government agencies, various institutions, commercial firms, and even private individuals were involved in publishing. Commercial firms from the Jiangnan area (lower Yangzi valley) published popular encyclopedias, primers, morality books, and fiction; firms in other areas printed cheaper editions of the originals. Merchant manuals were first published by these commercial firms.<sup>22</sup>

The printing industry from the Song through the Qing was premised on rising levels of prosperity and income and on the belief of ordinary people, at least the middling stratum in urban areas and some rich peasants in the countryside, that they could control and improve their lives through their own efforts; easy access to information was therefore crucial. Nearly all the medical books printed during the Song could easily be read by those without special medical training; many medical books printed during the Ming dynasty were essentially collections of prescriptions. Whether the task was curing the sick, ordering the household, writing a letter, arranging a wedding, or preparing for the civil service examination, people believed

that with information in hand they could successfully manage their own lives.<sup>23</sup> They therefore bolstered the printing industry's profits by frequently consulting popular encyclopedias, morality books, ledgers of merit and demerit, city guidebooks, and professional manuals. Patricia Ebrey has pointed out that by the mid-Ming period, people could buy books that they found attractive and that accommodated popular custom.<sup>24</sup> When marketing networks expanded and the population exploded, people interested in commerce naturally turned to self-help manuals. The appearance of merchant manuals was not an isolated phenomenon but must be understood against the background of the tremendous popularity of self-help literature during the late imperial period.

Given these various economic, social, and technological developments, the elite began to focus on the growing commercial middle stratum and the other subordinate classes and their need for ethical guidance. The thought of the two great Neo-Confucian philosophers, Zhu Xi (Chu Hsi) of the Song and Wang Yangming of the Ming, aptly demonstrates this trend. Zhu wrote widely on the importance of Confucian ethical values reaching every household and school.<sup>25</sup> Wang and his followers took this appeal a step further by not only stressing the relevance of the Confucian Way to the members of the subordinate classes but also affirming the ability of anyone, whatever his or her social status, to achieve sagehood. Wm. Theodore de Bary has observed that the Ming Neo-Confucians remolded the Song concept of sagehood to fit "their own social and cultural requirements, still affirming the goal but recasting the model to render it plausible and achievable for every man."<sup>26</sup> The nonelite members of society had become, by the late Ming, the focus of Confucian educators' intense concern.

Their educational efforts seem to have reached a climax during the eighteenth century. In wide circulation were instructive works such as the *Zhuzi jiali* (Compilation of Zhu's Sayings on Family Ritual) and the *Xiaoxue* (Elementary Learning) as well as summaries of the classics and popular editions of the Four Books with explanatory notes. Chen Hongmou, the well-known scholar-official who lived during the Qianlong reign (1736–1796), compiled his *Wuzhong yigui* (The Five Collections of Rules) to provide practical guidance on everyday affairs for the people. This work included the *Yangzheng yigui* (Rules on Proper Upbringing), the *Xunsu yigui* (Rules on Social Customs), the *Jiaonü yigui* (Rules on Teaching Girls), and specific rules for merchants. Imperial interest in establishing schools also

reached a peak during this century, further spreading Confucian teachings to the subordinate classes.<sup>27</sup> The *Sacred Edicts* (*Shengyu*), written by the Kangxi emperor (1662–1722) and expanded upon by his successor, contained the essence of Confucian morality and was to be read aloud in all sizable villages of the empire on the first and fifteenth day of the month.

In many cases, educators attempted to adjust their message to meet the everyday needs of the nonelite members of society as they perceived them. Economic change and the development of more specialized professions had created more complex moral dilemmas, to which earlier Confucian writers could contribute few solutions. Not to adjust to the new environment would have condemned Confucian teachings to irrelevance and neglect. The intent behind many, but not necessarily all, of these educational efforts, however, was to relate the orthodox moral and social ideology of the elite to the needs of the members of the subordinate classes without destroying the essential framework of the agrarian society and the existing social hierarchy. Some writers were willing to make greater adjustments than others, but the majority worked to co-opt change rather than allow it to alter radically the status quo. The social ideology of the elite, in Raymond Williams' words, had to be continually "renewed, recreated, defended and modified" if it was to remain relevant and effective.<sup>28</sup>

Tadao Sakai demonstrates this phenomenon in his essay on Ming popular educational works: "We can already see in the morality books of the late Song period an embryonic recognition that morality appropriate for the common people [had] to take into account their actual statuses and functions."<sup>29</sup> As the economy became increasingly commercialized during the late Ming and early Qing periods, this trend became more pronounced. Morality books (*shan shu*) and ledgers of merit and demerit (*gongguo ge*) now listed meritorious deeds according to occupational status and recognized the financial limitations of most commoners by de-emphasizing the use of money in the performance of good deeds.<sup>30</sup> Wang Gen (1483–1540), a radical follower of Wang Yangming, explicitly strove to make the Confucian Way responsive to the everyday needs of the people (*baixing riyong*).<sup>31</sup> Although Lin Zhaoen (1517–1598) led the syncretist Three Teachings cult in the late Ming, he nevertheless considered himself a Confucianist. The regulations of his cult were adjusted to meet the requirements of various occupational groups.<sup>32</sup> Popular encyclopedias (*riyong leishu*), whose main purpose was to

provide the subordinate classes with practical information, also helped to transmit Confucianism by including sections written in simplified form.

Although commoners were meant to be the beneficiaries of Confucian indoctrination, elite thinking changed as well. In her study of Lü Kun, a late Ming magistrate, Joanna Handlin Smith notes that Lü's principles for community organization "owed as much to his acquiescence to the world of objective phenomena as to his commitment to Confucian moral ideas."<sup>33</sup> We cannot simply assume that the pragmatism we find in mid-level merchant culture was unique to the world of the humble merchant. Clan rules, family instructions, and even some morality books and the works of some elite philosophers all indicate that pragmatism affected many levels of Qing society. Hui-chen Wang Liu, for example, has shown that Chinese clan rules, which she believes took their ultimate form in the eighteenth century, narrowed "the gap between theories and reality by adjusting the theories within permissible limits and applying them as far as may be practicable."<sup>34</sup> The concept of practical learning (*shixue*) held a central place in the philosophy of the early Qing thinker Yan Yuan (1635–1704): "Before Confucius and Mencius all those to whom Heaven and Earth gave birth in order to direct the course of events were engaged in practical thinking (language) and practical action (*shiwen shixing*) and were devoted to developing things of substance and real use (*shiti shiyong*). They were thus able to create actual deeds (*shiji*) for Heaven and Earth so that people were peacefully settled and production abounded."<sup>35</sup> The modern scholar Chung-ying Cheng noted that the practical learning movement of the seventeenth and eighteenth centuries arose in response to the social needs of the day.<sup>36</sup>

Merchant culture evolved within the context of elite attempts to adjust education to meet the diversified needs of people living in a changing society and economy while still retaining the basic structure of agrarian society. Although part of the elite response constrained the development of a realistic merchant culture, other aspects supported it.

### *Changes in Social Structure and Status*

The constant reiteration of the traditional class ranking of scholar, peasant, artisan, and merchant during late imperial times masked

the growing complexity of social structure. This ranking, rather than reflecting reality even during early dynasties such as the Han (206 B.C.–A.D. 220), sprang from a vision of an ideal agrarian order first articulated in Eastern Zhou texts such as the *Guanzi* (seventh century B.C.) and later retained by orthodox Confucian theorists throughout China's long imperial period.<sup>37</sup> Indeed, changes propelled by economic expansion and development during the late Tang-Song and continuing through the late imperial period led to the development of a broader and less formal social and cultural orthodoxy separate from the official orthodoxy of the government and the conservative elite. As a result, most of society during the late imperial period had come to accept commercial activity as a necessary part of life and to regard those engaged in commerce as respectable members of society.

Some of the more extreme forms of social discrimination against merchants and antipathy toward commerce had already begun to fade with the economic and structural development of the late Tang-Song period and the subsequent change in governmental attitudes toward commerce.<sup>38</sup> Ping-ti Ho observes that "little deep-seated social prejudice against non-scholarly productive occupations" existed in China and that, by the Song, trade was considered a respectable occupation, even if those with promise were still encouraged to take the examination route.<sup>39</sup> As part of his evidence, Ho cites the oft-quoted passage from Yuan Cai's genealogy, which declares that one would not disgrace the ancestors by taking up, among other occupations, commerce. Mizuno Masaaki also refers to this passage, but pairs it with a passage from Lu You's Southern Song family precepts, which warns those unable to become scholars that although farming would not bring disgrace they should under no circumstances become involved with commerce. Mizuno notes that despite their differences both passages affirm the legitimacy of occupations other than that of scholar and thus illustrate the important social changes taking place during the Song.<sup>40</sup>

The Chinese scholar Lin Liping goes even further to argue that economic changes and the increasing importance of the merchant made the traditional class ranking irrelevant by the Tang-Song transition.<sup>41</sup> The notion of disesteeming commerce gradually began to change as commerce began to be considered one of the "fundamental occupations" (*benye*). Song merchants, as a result, became part of accepted society along with scholars, peasants, and artisans,

rather than the despised group they had been earlier. They maintained close contact with the gentry (*shidafu*) and entered into the bureaucracy in large numbers. The gentry themselves engaged in commercial activities, and Patricia Ebrey notes the willingness of the Song *shidafu* to engage in commercial activities and accept the sons of merchants into their ranks.<sup>42</sup>

The Ming was another period of rapid change. One late Ming scholar described his dynasty in the following fashion:

Our state's material prosperity and moral well-being reached their peak . . . in the Hung-chih reign [1488–1505]. In that time, households and individuals were amply provisioned. There were adequate houses for dwelling. There were sufficient fields for tilling. There were forested mountains for firewood. There were fertile gardens for planting. There were no vexations pressing for taxes. No banditry arose. Marriages were carried out at the proper time. Villages were peaceful and secure. Spinning was done by the wives. Men concerned themselves with mulberry. . . . Indentured servants bore their burden. Neighbors were helpful.

Coming down to the end of the Zhengde [1506–1521] and beginning of the Jijing [1522–1566] reigns, the situation was different. As merchants and traders became more numerous, farming was not emphasized. Property was exchanged. Prices fluctuated. Those who were able were successful. Those who were a bit slow were ruined. The family on the east might become rich while the family on the west was impoverished. As the equilibrium between those of higher and lower status was lost, everyone struggled over paltry sums. People were mutually exploitative; each sought to further himself. Thereupon, deceptive practices sprouted, contentions arose, recreations were off-color, extravagance was everywhere.<sup>43</sup>

The writer, the well-known scholar Gu Yanwu, exaggerates the difference between the two eras but does make his point. Yü Ying-shih, in contrast to the scholars discussed above, locates real change in merchant social status in the post-Song period; by the mid-Ming, scholars (*shi*) and merchants could no longer be clearly differentiated.<sup>44</sup> To illustrate his point, he cites a passage by Qing scholar Shen Yao: “In ancient times the four classes were clearly separated, but in later times could not be distinguished” (*guzhe simin fen, houshi simin bufen*).<sup>45</sup> Tadao Sakai claims that by the end of the Ming dy-



nasty, the term *shi* had been stretched so broadly that the common people (*ippan shomin*) also adopted the appellation.<sup>46</sup>

By the Ming-Qing period, most Chinese certainly believed that farming was difficult and the profits marginal but that crafts and commerce were easier and the profits greater; clever people therefore moved to the cities to engage in the latter occupations while the stupid remained on the farm.<sup>47</sup> Indeed, the Ming official Hai Rui noted that although the elite praised agriculture, its members actually looked down on peasants; he was therefore not surprised that people preferred commerce to farming.<sup>48</sup> Merchants were openly allowed to take the civil service examination, and in some cases sojourning merchants were given special permission to take the examination in their place of residence rather than in their place of birth. The great economic changes of the second commercial revolution gave wealth greater weight in the determination of social status, thus heightening the unreality of the traditional ranking system and inspiring some writers and theorists to conceptualize a new ranking system that would better reflect the importance of commerce and the merchant. These efforts seem to have been more plentiful and systematic than in the late Tang-Song period.

Certainly by the eighteenth century, the emergence of new occupational divisions and subdivisions and the rise in status of the merchant, despite lingering prejudice, made the old ranking system obsolete and useless in understanding late imperial society. G. W. Skinner states that in the Qing “successful landlords, merchants, artisans, and officials tend[ed] to associate socially on a basis of approximate equality.”<sup>49</sup> He refers to the cultivation of business talent for the export trade during the late imperial period as a widespread maximization strategy for social mobility.<sup>50</sup> Moreover, successful merchant families or clans did not disappear into the ranks of the scholar-officials; rather, they continued to cultivate talent for both commerce and studies.<sup>51</sup>

In sum, the Confucian values of the elite had seeped into the lives of the subordinate classes by late imperial times, and these classes had indeed sought to identify with those values to varying degrees.<sup>52</sup> Mid-level merchants thus formed the loyal and nonheterodox backbone of urban society during the late imperial period and were generally respectable members of agrarian society, protected by state paternalism.<sup>53</sup> As commercialization progressed, as more of the population, including scholar-official families, became involved in com-

mercial activities, and as a career in petty commerce became increasingly respectable in its own right, the mid-level merchants became unobjectionable to most subjects of the late imperial dynasties.

This overall acceptance and respectability, however, disguises a key source of tension in the political economy of the late imperial period. The state, orthodox educators, and morality book authors still treasured an agrarian economy as the proper material base for the empire. In this ideal agrarian order, the overwhelming majority of the people would live off the land, producing their own food and clothing and providing the state with revenue and military recruits. Tight strictures limited the role of the merchant. The size of profits and the number of merchants had to be controlled and business practices kept acceptable to an agrarian society. As one nineteenth-century agrarianist scholar wrote, "scholars should always act as scholars, farmers should always act as farmers, artisans should always act as artisans, and merchants should always act as merchants."<sup>54</sup>

If profits began to diverge substantially from what could be earned through farming, peasants would be tempted to leave the land to engage in commerce and thus undermine the society's agricultural base and primary source of governmental revenue. As the Yongzheng emperor put it in 1727, "If the city adds one craftsman, then the countryside loses one cultivator."<sup>55</sup> The increased profits, moreover, would lead to an opulent way of life that would eventually corrupt the frugal mores of agrarian society; sharper business practices would cheat the simple and honest peasant and make life on the land that much more difficult.

A gap, as we have seen, had always separated this ideal from reality and had threatened to widen to an unbridgeable chasm during certain periods of intensified economic development. Although some elite writers accommodated this changing reality as the scholar-elite increasingly engaged in commercial activities, more conservative members of society were becoming alarmed, especially by the late Ming and early Qing when various hierarchical distinctions were under constant attack and society was characterized by a pervasive spirit of revolt.<sup>56</sup> For these conservatives, commerce, although not intrinsically objectionable, had begun to assume an importance out of proportion to their vision of a physiocratic society and economy. In addition, to the degree that commercial activity fueled social mobility in late imperial China, established families felt that it threatened their social and economic position.<sup>57</sup> Evelyn Rawski notes

that “as competition for examination degrees sharpened, so did the anxiety among households with elite status, who saw threats to the perpetuation of their status through their children and grandchildren in the improved chances for upward mobility among persons of lower status. . . . The emergence of commercial opportunities and the relative downgrading of landed investment signaled the growing complexity of the relationship between wealth . . . and elite status.”<sup>58</sup> Willard Peterson, in his book on the late Ming scholar Fang Yizhi, wrote,

One might suspect Fang of being merely hypocritical denouncing the avarice of others. He might be charged with simply using his words to impede others from duplicating his own family's rise from the relative poverty of his great-grandfather's youth. He may have been speaking as a representative of an established family who owned land and who was primarily interested in resisting encroachments of its high place from newcomers, no matter how they derived their wealth. Whatever Fang's motives, he was part of a hardening of attitudes toward men of “new” wealth, especially that based on trade, that arose in the 1630s.<sup>59</sup>

Indeed, for some of the conservative scholars who lambasted commerce, the vision of an agrarian empire served not so much as a genuine economic blueprint but as a handy political tool to control and channel the tide of social mobility.<sup>60</sup> These “agrarianists,” then, were not all naive antiquarians lost among the scrolls and paintings of the scholar's studio; a good number were hard-nosed realists very much aware and disdainful of changing socioeconomic conditions and trying their best to limit that change and perhaps to dampen its threat to their own social and economic position. The use of the agrarian ideal in late imperial China evokes the continuing use of the ideal of the propertied farmer or propertied shopkeeper in the United States even as wage labor spread across the country. What Eric Foner, borrowing from Franco Venturi, calls a “protest ideal” aptly describes the use of the agrarian ideal in late imperial China.<sup>61</sup>

Morality books and ledgers reflected the alarm of the agrarianists and conservatives.<sup>62</sup> Although some of these books had been used earlier to promote social mobility, in the seventeenth and eighteenth centuries the conservative educated elite, upset by the perceived social disintegration, used them to resurrect the “moral and social coherence” they believed had existed during the early Ming and to

serve as “encyclopedias of proper behavior.”<sup>63</sup> According to Cynthia Brokaw, “The exhaustive provisions of their ledgers and the nature of the conduct they encouraged for different statuses suggest that they were far more interested in containing and inhibiting—or at least closely regulating—movement within the hierarchy than in encouraging it. Their ideal society consisted of an interlocking hierarchy of statuses defined by specific responsibilities and paternalistically supervised by members of the elite—scholars, officials, and local gentry.”<sup>64</sup> The ledger author sought to convince members of the subordinate classes to spurn the attractions of merchant life, especially those of itinerant commerce, and to remain in their native places and be content with their own status. They urged those already involved in commerce to narrow their profits, to curtail “sharp” business practices, and to take pity on the more unfortunate members of society. Here was the essence of the battle to define status, hierarchy, and commercial morality and practice.

The ledger authors’ commitment to the agrarian vision can be seen in this passage taken from a mid-seventeenth-century ledger.

Outside of the scholarly profession, nothing is so good as farming. . . . Plant mulberry in the garden and cotton in the fields, and you have clothing. Raise fish in ponds and cattle at home, grow vegetables in your garden, and you have food. When there is flood or famine, plant more and harvest less—you can still make a living. Never setting eyes on government office, never setting foot in a city market—you are a prime minister of the mountains, an immortal in this world. This is the best life. Why would you want to be an official? Even if your family has no land, you can rent several *mu* . . . and diligently plow and plant them. When done, you give several pints of rice in rent to the landlord. Even though you eat vegetables and plain food, it is still tastier than the rich food of the wealthy. Even though you wear coarse clothing, it is still warmer than the thin brocades of the wealthy. Furthermore, your wife is not arrogant and extravagant, and your sons and grandsons are not idle and licentious. There really are many advantages to farming.<sup>65</sup>

The morality book *Quanjia bao* (Treasures to Be Handed Down to the Family), edited by Shi Chengjin of Yangzhou, Jiangsu, and published sometime between the Kangxi and Qianlong reign periods, provides a view of economic behavior and the role of the merchant in

the agrarian economy. Essays, poems, and lists of meritorious and punishable deeds comprise the merchant section of the book. Mr. Shi, if he was indeed the author as well as editor, argued against the values of the marketplace that were intruding into late imperial society. He condemned those scholars who studied Confucian classics such as the *Book of Odes* and the *Book of History* to attain fame and fortune. As for merchants, he was most concerned that they remain content with their position in life. Although he placed them behind scholars and agriculturalists in importance, he did acknowledge that they performed a valuable service to society by transporting goods from areas where they were plentiful to areas where they were lacking, a task that farmers could not accomplish. The book reflected the typical agrarianist view concerning the proper role of merchants in the ideal economy. The author's essays urged the merchant to be honest, fair, good, and diligent and particularly condemned those who were lazy and covetous.

These agrarianists attempted, in short, to persuade the subordinate classes that they would be spiritually rewarded by behaving in a manner appropriate to their status—that is, by not straying outside the boundaries of the agrarian order. These writers ignored the reality of contemporary life and attempted to diminish the merchant's rising importance and status. For example, in one seventeenth-century work, a merchant can be good only by giving away his money: "Heaven aids virtuous men, but there is nothing given better than the reward for the man who values property lightly."<sup>66</sup> Authors painted demeaning portraits of merchants, who were capable of attaining only a low level of virtue. In one work the first few admonitions for scholars were:

Be loyal to the emperor and filial to your parents.  
Honor your elder brothers and be faithful to your friends.  
Establish yourself in life by cleaving to honor and fidelity.  
Instruct the common people in the virtues of loyalty and filial piety.

Compare these admonitions with the first few for merchants:

Do not deceive ignorant villagers when fixing the price of goods.  
Do not raise the price of fuel and rice too high.  
When the poor buy rice, do not give them short measure.  
Sell only genuine articles.<sup>67</sup>

Other scholars during the late imperial period depicted merchants as “wicked and evil.” One prominent nineteenth-century scholar, Xie Jieshu, wrote that while wicked merchants prospered, the material circumstances of the other classes deteriorated and recommended that “to create wealth there is nothing better than encouraging agriculture and repressing commerce.”<sup>68</sup> Qing gazetteers still described rural areas where the people, untouched by commerce, were simple and honest. A number of scholars only accepted those merchants who remained within the framework of the ideal agrarian order. Some of these conservative scholars retained and nurtured an implacable hostility toward all merchants, castigating them for taking advantage of the honest, simple-minded, and defenseless and blaming them for many of society’s ills.<sup>69</sup> Because the agrarianists had considerable influence in the educational and “propaganda” worlds—the morality book authors and the benevolent society and *xiangyue* lecturers—their negative message, despite the overall consensus in society on commerce, undoubtedly influenced the subordinate classes, still imbued with the notion that status was inherited.<sup>70</sup>

The conservative position, in sum, was not irrelevant. Modern scholars first thought that writings critical of merchants signaled a widespread disdain for commerce in late imperial society. Even though this notion is now corrected, we still cannot ignore the presence of conservatives and agrarianists; their writings permeated the ranks of the subordinate classes and reinforced notions of heredity and fixed status. The culture of the mid-level merchant developed and was articulated against the hard edge of conservative opposition.

Two late Ming developments in particular—the formation of the Taizhou branch of the Wang Yangming (Confucian) school and the rise to national prominence of Huizhou merchants—highlight the manner in which some members of late imperial society struggled to adjust social theory to make it better accord with the growing importance of the merchant. In the process, although the agrarian ideal may not have been always explicitly challenged, the broad parameters for the articulation of mid-level merchant culture were established.

The Taizhou school had extensive influence among the subordinate classes during the late Ming.<sup>71</sup> Its teachings challenged the orthodox elite and the conservative establishment on several levels. Innate knowledge and the unity of knowledge and action stood as

the pillars of the school's teaching. Its proponents, expanding upon the ideas of Wang Yangming (1472–1529) and seeking to make their teachings relevant to the daily needs of the subordinate classes, declared that any member of society regardless of class could achieve sagehood. Their teachings thus propagated the radical notion of the intrinsic equality of all.

According to the Chinese scholar Hou Wailu, the thinking of the leading proponent of the Taizhou school, Wang Gen, can be understood only within the context of his close association with the lower ranks of society.<sup>72</sup> Indeed, Wang constantly challenged the superiority of the scholar-elite and considered the welfare of the individual, including members of the subordinate classes, to be the basis of the social order.<sup>73</sup> He disagreed with the conventional wisdom that only the “classicists and erudites” could learn the teachings of Confucius, emphasizing that the overwhelming majority of Confucius' disciples were not classically educated members of the elite.<sup>74</sup> An inscription above his door read: “My teaching comes down through [the sages] Fuxi, Shennong, the Yellow Emperor, Yao, Shun, the Great Yu, Kings Tang, Wen, and Wu, the Duke of Zhou and Confucius. To anyone who earnestly seeks it, whether he be young or old, high or low, wise or ignorant, I shall pass it on.”<sup>75</sup> To Taizhou lecturers such as Wang Gen and Luo Rufang, learning could be achieved with both ease and pleasure. The school accordingly drew its membership from the subordinate classes—“humble” professions such as woodcutter and potter—as well as the elite. Wang Gen was himself a salt merchant, and Yan Jun, a disciple of Wang, became a well-known Taizhou school lecturer without the benefit of a classical education.<sup>76</sup> Anyone during the late Ming could therefore see that a classical education was not necessary to master the message of Confucius and to convey it to other members of society. This notion set an important precedent for the authors of the merchant manuals.

In addition to advocating a kind of equality among all people and seeking to adjust Confucian teachings to the needs of the subordinate classes, the Taizhou school also reached out to nonelite people by establishing private academies and sponsoring large public lectures and discussions. Hundreds, perhaps thousands, of nonelite people attended these events, and the teachings of this school spread widely. Perhaps because of this success, state authorities banned these teachings and dissolved the academies, after which the influence of the school waned. Although later orthodoxy would condemn

Taizhou radicalism, the school in fact remained within the broad stream of Confucian egalitarianism, emphasizing the Confucian view that all people were potentially good.

The Taizhou school flourished in the commercially thriving provinces of Jiangsu and Anhui, and its connections to the commercial world were multifarious. The Japanese scholar Shimada Kenji, in his classic work *The Frustration of Modern Thought in China*, has associated the school with the development of commerce and the rise of commoners in China; indeed, many scholars believe that the school has to be understood in the context of the rapid economic changes in the Jiangnan area during the late Ming. Several prominent members of the school came from a commercial background—Lin Na and Han Lewu, for example, worked together in the pottery trade—while others sought to reevaluate the position of the merchant in society.<sup>77</sup> Moreover, merchants were interested in the teachings of Wang Yang-ming and had a great deal of contact with the school, which they actively sought. For example, disciples of Wang Yangming gave lectures to salt merchants in Yangzhou. The Huizhou merchants, who originated in Anhui province and who were active professionally in Jiangsu province, were particularly interested in the school. Merchants, because of the literacy required for their profession, well knew the popularized Confucianism found in proto-merchant manuals and popular fiction.

Wang Yangming's ideas of innate knowledge and the possibility of sagehood for even the "lowliest" member of society were complemented by his ideas on class structure. Wang noted that the four classes (*simin*) had different professions, yet shared the same *dao*. The merchant could toil in the marketplace, yet still obtain sagehood. By inference, the merchant could then be considered in no way inferior to the scholar. Yet Wang himself did not seek to shake the social order of the day, and more radical conclusions were made by certain of his followers.<sup>78</sup>

Ho Xinyin (1517–1579), another prominent member of the school, specifically challenged the ideal class structure in an essay entitled "How to Have Mastery" (*Dazuozhu*): "Merchants are greater than farmers and artisans, scholars are greater than merchants, and sages are greater than scholars."<sup>79</sup> Ho thus moves the merchant to second place in the traditional ranking system. In another instance, he placed merchants and scholars together in contrast to the lower orders, and in a similar vein he wrote, "Moreover,



if a merchant understands the status of scholar, and relies on it, then this is to transcend the status of merchant, and become a scholar. . . . can we not say that he has mastery over the scholar status?"<sup>80</sup> Ho here clearly recognizes the reality of late imperial society. People came to Ho for advice on business practices, thus suggesting an intriguing connection between the Taizhou school and the formation of a realistic ethical code for merchants.

Li Zhi (1527–1602), another figure associated with the Taizhou school, has been called a pioneer in recognizing the true social status of merchants.<sup>81</sup> Li, whose works were harshly criticized by the elite although avidly read by almost all social groups, including the elite, further challenged the elite's monopoly of gentleman status. "It is because the common man does not know me that I can be called a 'noble man.' If the common man knew me, I too would be a common man and no more."<sup>82</sup> He openly sympathized with the difficult life of the merchant, who was constantly criticized for seeking profit. At the same time, he heaped scorn upon the hypocritical member of scholar-elite who was not much nobler in character than the merchant and certainly less productive.<sup>83</sup> In his *Fen shu* (A Book to Be Burned) he wrote, "I would say that all these practices make a person inferior to the little fellows in the field and market, who would not hesitate to discuss aspects of their own experience. Hustlers talk about their business; farmhands talk about field work. Really, theirs are the voices of virtue, lively with interest, and never tiring and boring to listeners."<sup>84</sup>

Other members of the scholar-elite, even if they were not associated with the Taizhou school, also criticized the social status quo. Examples abound of writers who tried to make social theory correspond to reality and to justify that reality. Liu Daxia (1436–1516), a prominent Ming official, observed to his children that trade and agriculture were the most honorable ways to obtain wealth, and his advice was frequently cited by later scholars.<sup>85</sup> Zhang Han (1511–1593), another important Ming official, argued that the state should recognize the valuable contributions made by merchants and that commercial policy should be changed to accommodate their needs.<sup>86</sup>

Various writers continued to espouse such views even as the Ming dynasty crumbled and the Manchus established and consolidated their new dynasty. Huang Zongxi (1610–1695), the political philosopher, challenged the age-old slogan *zhongben yimo* (emphasize agriculture and repress commerce) by claiming that the ancient

sage kings never meant artisans and merchants to be included among the ranks of the useless; instead, both should be considered essential (*ben*).<sup>87</sup> Although Huang's work did not become well-known until the later years of the Qing, his views on commerce did bear a certain resemblance to those of Wang Yuan (1647–1710) and Tang Zhen (1630–1704). Wang, an associate of the philosopher Yan Yuan, believed that the traditional order of the four professions—scholar, farmer, artisan, and merchant—did not adequately reflect social reality. He suggested placing merchants before artisans in importance and added the category of soldier after farmer. Although he acknowledged it was fitting to emphasize agriculture, that did not mean commerce should be slighted: “If we had only agriculture and no commerce in the world, what would become of the country?”<sup>88</sup> He therefore proposed ranking merchants on the same level as the *shidafu* (gentry). Tang Zhen, a member of the scholar-elite who served as magistrate in Shanxi, placed farmers first and raised merchants to third place in one listing of the traditional four classes, even suggesting they were on a par with gentlemen (*junzi*). Officials were unceremoniously consigned to last place.<sup>89</sup> Although this shuffled order may simply have been a semantical quirk, it does seem that he valued the contribution merchants made to society.

Gu Yanwu (1613–1692), the well-known scholar whose work was widely read throughout the Qing dynasty, believed that the merchant's self-interest and profit seeking, although not laudable qualities in themselves, were nevertheless essential to the empire.<sup>90</sup> Gu realized that for the benefit of the country and the efficiency of the state more authority and responsibility had to be turned over to local, private interests. He thus opposed monopolies on salt and iron and warned the state not to impose excessive taxes upon salt merchants. To Gu, the private activities of merchants were directly related to the welfare of the people and the state: “If merchants do not obtain profits, then they will shift their work to the sea. The hungry will not obtain grain and the cold will not obtain clothing and [all] will die. . . . It is certainly not important if merchants do not obtain profits, but people having food to eat certainly is.”<sup>91</sup>

The Qing fiction writers Pu Songling and Wu Jingzi continued the Taizhou tradition (consciously or unconsciously) of attacking hierarchy and status distinctions and demonstrating that members of the subordinate classes were fully capable of leading moral lives. An official in Wu Jingzi's *The Scholars* (*Rulin Waishi*), for example, con-

demns the insincerity of top degree holders and states, "They are inferior to my friend Pao here, for although his is a lower class profession [actor], he conducts himself as a gentleman."<sup>92</sup> We certainly hear the echoes of Li Zhi's critique of elite hypocrisy.

Scholars like Gu Yanwu and Tang Zhen, writers like Pu Songling and Wu Jingzi, and especially the Taizhou thinkers challenged conventional thinking in their willingness to recognize the realities of merchant social and economic life, and they contributed, in part, to the rise of mid-level merchant self-esteem. They also helped to create this broader social and moral orthodoxy, which provided the background for the merchant manual authors' claims of merchant respectability and even gentlemanly status.

Nevertheless, other members of the late imperial scholar-elite insisted, at least in theory, on the traditional social order and would probably have considered it outrageous to call someone toiling in the marketplace and possessing no other special marks of status a gentleman (*junzi*). Moreover, the very act of redefining Confucianism and the term "gentleman" would certainly have raised the ire of scholars if they somehow had read the merchant manuals or had been aware of their content. Many were already alarmed by the number of people offering their own interpretations of the classics, of sagehood, and perhaps even of the gentleman.<sup>93</sup> Redefinition of these key concepts by people heavily tainted by the odor of commerce would have been considered a challenge to an elite that, before the late Ming, had a monopoly on such definitions and had used this monopoly to legitimize its privileged position in society, a position under attack by various other social, economic, and demographic forces.

The commercial success of the Huizhou merchants, some now believe, can be attributed to the influence of Confucianism, especially on business practices.<sup>94</sup> The merchants from the six counties in Huizhou prefecture, Anhui, rose to prominence during the latter part of the Ming, specializing in the marketing of salt, grain, silk, tea, and other products. Two characteristics of this merchant group are particularly important here. First, the Huizhou merchants established themselves during the late imperial period in all major towns and cities of the empire; a saying of the time declared that a place could not be considered a town if it did not have Huizhou merchants (*wu Hui, bu cheng zhen*). Second, because Huizhou was the birthplace of the famous Song dynasty philosopher Zhu Xi, Confucian teachings pervaded all segments of Huizhou society and many

merchants received a Confucian education. The thriving commercial sector of the region's economy, in turn, supported Confucian teaching through the funding of Confucian academies. Huizhou merchant interest in Confucianism was not limited to the Taizhou school message.

As the economy grew increasingly complex, those with a Confucian education, some scholars believe, had superior analytical, organizational, and managerial skills to compete successfully in the new environment. By the early sixteenth century, with the great commercial success of the region and the large proportion of the population involved in commerce, "merchant customs" began to influence Huizhou society as a whole, including even the conservative clans. This melding of Confucianism and commerce created the unique mentality of the Huizhou region.<sup>95</sup>

As a result of this fusion, the whole of Huizhou society eventually rejected the old notion of valuing agriculture and disesteeming commerce and considered commerce equal to the examination system in establishing fame and honor. "Trade and studies thus alternate with each other, with the likely result that the family succeeds either in acquiring an annual income of ten thousand bushels of grain or in achieving the honor of having a retinue of a thousand horse-carriages. This can be likened to the revolution of the wheel, with all its spokes touching the ground in turn. How can there be a preference for any one profession?"<sup>96</sup> The sixteenth-century author of this quote, the oft-cited apologist for the Huizhou merchants, Wang Daokun, whose own grandfather was himself a salt merchant, extolled the contributions of commerce to the empire as he argued for the equality of commerce and agriculture. The early Qing philosopher, Dai Zhen, who hailed from Huizhou, observed that the Huizhou merchants were morally upright persons no different from *dushuren* (members of the educated elite). The scholar Gui Youguang (1506–1571) noted that the divisions between the four classes had become blurred and, in describing a Huizhou merchant, asked rhetorically, How could he not be considered a gentleman? The modern scholar Tang Lixing noted that some merchants even went beyond asserting equality and disparaged agriculture: "Formerly, one became wealthy through farming, now one becomes wealthy through commerce."<sup>97</sup> In this new society, Tang continued, the merchants, along with the gentry, would naturally rule over the base, stupid, and poor. As merchant manuals of the eighteenth century seem to have evolved from

the elite's family instructions (*jiayan*), it becomes readily apparent how merchant manuals, or at least their prototypes, first appeared among the Huizhou merchants.

In Huizhou prefecture, the society of a whole region, not just a few isolated individuals or a class of people, openly adopted a new view of the importance of commerce and the social status of merchants.<sup>98</sup> This new view originated not in a culturally backward commercial center or on the borderlands of the empire but in a center of Confucianism. It should be noted, however, that most merchants from the Huizhou area throughout the Qing still offered the standard "excuse" that they only plied their trade because of the poor farming conditions in Huizhou.

Was the erasure of status distinction between scholars and merchants an empirewide phenomenon? Wang Xian (1469–1523), a successful Shanxi merchant who failed the civil service examination, wrote the following instructions to his children:

The merchant and the scholar-official have different skills, but they have the same spirit. The successful merchant produces wealth and he leads a virtuous life. And for this reason, even though he has wealth, he need not be ashamed. . . . One path is to obtain profit through high moral conduct; the other path is to achieve recognition and status through cultivating virtue. Are these not good examples to follow? Whichever path is taken, one's children should praise and show respect.<sup>99</sup>

The Shanxi merchants also came to regard commerce as an honorable profession and did not consider themselves inferior to officials.<sup>100</sup> In Ming dynasty Fujian, merchants could be considered good Confucians and commerce an honorable profession.<sup>101</sup> According to Angela Hsi, in late Ming Jiangnan, "Merchants came voluntarily to the aid of scholar-officials who were in trouble, while the latter praised the former for their business acumen and their Confucian virtues of performing social welfare and other benevolent acts."<sup>102</sup> In fact, the changes we see in late Ming Huizhou were not unknown in other parts of the empire.

The teachers of the Taizhou school propagated their beliefs among small and medium merchants, beliefs that most likely continued to resonate among the subordinate classes and elite dissenters

even as the school came under severe attack and died out by the late Ming. The Huizhou merchants undoubtedly spread their own alternative vision of society as they moved to cities and towns across the empire. The Taizhou and Huizhou assault on traditional social rankings and appellations emboldened late imperial mid-level merchants to portray themselves as respectable Confucian gentlemen and Qing merchant-authors to establish themselves as written authorities on morality and commerce. The Taizhou public lectures suggested that a merchant without a classical education could write books on commercial morality, while the Huizhou guidebooks from the Ming hinted at the form their ideas might take. While the radical notions of social equality and honor for merchants failed to dislodge the narrower orthodoxy of the government and the conservatives, the gauntlet had certainly been thrown down, and this new, heady social atmosphere undoubtedly suffused the lives of merchants at all levels during China's late imperial period.

## 2 THE CONFUCIAN ORIGINS OF THE APPRENTICE'S EDUCATION



With only minimal and indirect governmental help and regulations, without the benefit of wealth or connections, and in the face of intense competition and an amoral market, mid-level merchants in China were at the mercy of a harsh economic environment. The merchant manuals offered them a character-training program rooted in merchant culture and based on aspects of the Confucian tradition that would equip them to recognize and avoid hazards while minimizing their reliance on the legal system and financial mechanisms. This chapter examines the four basic aspects of that training—stilling the mind, subduing selfish desires, distinguishing good from evil, and practicing reciprocity—while chapters 4 through 7 illustrate how this training was applied.

Heavily influenced by Confucian learning and traditions, the merchant-authors emphasized people over law and contracts and moral virtue over technical knowledge. The experienced merchant, having properly cultivated his person and established relations with others, could avoid the traps set by dishonest businessmen and criminals. Because the authors were concerned with the self-cultivation of the individual merchant, they did not provide information on laws, contracts, guilds, or spiritual aids in the body of their texts. What they offered instead was an approach to business that obviated the need for organizations or special techniques, even if they were available. For the merchant to find himself the victim of some accident or crime was, they held, almost tantamount to moral or personal failure. As *Essentials for Travelers* stated, “When [boastful people] make a mistake, they blame others or heaven rather than themselves. They do not realize that heaven [only] gives wealth and prestige to those who are able to establish and manage business themselves.”<sup>1</sup>

Although self-cultivation obviously placed a tremendous amount of responsibility on the individual, this process was in keeping with the expectations of the intellectual and cultural milieu of the time. Morality books and ledgers of merit and demerit, at least as originally conceived, provided individuals with a detailed program by which they could seize control of their own destiny and achieve material success without having to rely upon authorities in this world or the next. However, the manual authors did insist that their readers master a good deal of commercial knowledge in order to conduct business successfully. Moreover, they never advised merchants not to avail themselves of guilds, contracts, law courts, and the like. Instead, self-cultivation formed the core of merchant learning and culture. To adapt the oft-quoted analogy, self-cultivation can be likened to the roots of a tree and commercial knowledge can be likened to its branches; the roots were primary, but the branches, though secondary, were still important and indeed connected to the roots. Later on in life, after mastering the core, merchants could learn about guilds, law courts, and contracts and use them, when necessary, to supplement the core.

### *Values in the Merchant Manuals*

Values underpin the process of self-cultivation. The merchant manual authors do not consider them systematically and in some cases assume some will be taught in elementary schools. Nevertheless, values are frequently discussed in the manuals and are largely compatible with Confucian teachings.

The values mentioned by Wu Zhongfu in *The Merchant's Guide*—benevolence, righteousness, propriety, moral knowledge, and sincerity—formed the foundation of the Confucian tradition, which also included filial piety. In addition, the author of *Essentials for Tradesmen* promoted caution, moderation, diligence, sincerity, righteousness, loyalty, courage, conscientiousness, cultivating one's nature (*xing*), and nourishing one's *qi* (vital spirit). Granting that this manual is shorter in length than the others, most of the values were only mentioned once and were not particularly emphasized. Despite the opening essay, the original author did not feel the need to stress the moral aspect of the apprentice's education in the body of the manuals, again assuming that the apprentice or reader would have received a moral education earlier in life.



Like the author of *Essentials for Tradesmen*, the author of *Essentials for Travelers* did not discuss values or character building for the apprentice or merchant at the beginning of his manual; instead he taught values in the context of specific instructions. Throughout the manual he emphasized, in descending order of frequency, caution, honesty, frugality, goodness, sincerity, generosity, diligence, kindness, faithfulness, trust, modesty, moderation, deference, consistency, loyalty, and straightforward speaking. He was most vehement in his condemnation of selfishness and immodesty. This author stressed proper human relations more than proper self-cultivation, and in some ways his instructions are more Confucian than *Essential Business* and *Essentials for Tradesmen*. Although he did not specifically discuss benevolence, righteousness, propriety, moral knowledge, or filial piety, the values he did advocate were ones with which the ideal Confucian gentleman would have been comfortable. Nevertheless, they were primarily harnessed to the cause of profit and not promoted for their own sake.

With the exception of caution, *Essential Business* did not emphasize any particular value or attribute. Although it did not specifically champion the main Confucian values, many of the values the manual put forth were, nevertheless, compatible with the Confucian perspective. The author also never offered any values or ideas that could be construed as religiously heterodox and never used examples from popular literature to make a point.<sup>2</sup>

The *Essential Business* author emphasized obedience, memory, integrity, and affability: "If he is obedient, he will follow other people's orders and instructions. If his memory is good, he will not forget what he has learned. If he has integrity, he will be honest and have a sense of shame. If he is affable, he will have a lively appearance."<sup>3</sup> Caution, frugality, generosity, deference, discretion, an even temperament, discipline, sincerity, stability, loyalty, and patience were valued as well. The author also urged the apprentice to be quick, active, inquisitive, diligent, and attentive. He condemned, mentioning in decreasing order of frequency, indolence, indulgence, carelessness, arrogance, inflexibility, stubbornness, ill-temper, parsimony, gluttony, pity, and excessive honesty.

The preface to the *Shishang yaolan* stressed circumspection and caution over all qualities, but also advocated frugality, honesty, diligence, alertness, adaptability, and patience. The author decried fondness for superiority and competition for higher position (among trav-

eling companions), luxury, indolence, arrogance, parsimony, and the lack of a conscience. As in *Essentials for Tradesmen*, however, values took second place to practical information on traveling, agriculture, and market conditions. The *Shishang shiyao*, contained in the same collection, valued honesty, sincerity, goodness, modesty, diligence, attentiveness, and flexibility and denounced arrogance, indolence, and ostentation. Twelve rules for merchants included in a compendium of trade routes, the *Tianxia lucheng*, urged the reader to be sincere, honest, amiable, and yielding. The point of these values was made manifest in the sentence, "Goodwill is sufficient to produce wealth."<sup>4</sup> The author did not like those who were parsimonious, covetous, or lax.

The pawn trade manual, *Essential Pawnbroking*, emphasized values to a much greater degree than any of the other manuals. Above all, the author stressed diligence, frugality, and caution. Other values and qualities were, in descending order of frequency, generosity, honesty, sincerity, loyalty, righteousness, tolerance and forgiveness, kindness, ability, maturity, patience, ability, obedience, and a willingness to compromise. He condemned, in descending order of frequency, sloth, vanity, indulgence, parsimony, greed, carelessness, arrogance, snobbishness, and lust. In addition, he listed what he thought were the six most important values—diligence, caution, incorruptibility, thrift, modesty, and harmony—and the five "don'ts"—losing one's temper, seeking merriment and entertainment, indolence, vanity, and associating with bad companions.

*Essential Pawnbroking* shows a great affinity with some of the clan regulations from the lower Yangzi valley during the Qing period. The latter were also heavily moral in nature and placed the same stress on diligence and thrift in economic behavior. The close relationship between Huizhou commercial endeavors and the Huizhou lineage structure explains this affinity.

Some late imperial family instructions also carried rules for the merchant that were apparently taken from a section of early Qing morality books. These instructions provide additional insight on elite views concerning economic behavior and the role of the merchant.<sup>5</sup> The inclusion of these rules indicates that the clan expected the less academically inclined sons to become merchants, a sign of blurring status distinction, even in the minds of the elite, during the late imperial period. Although rather short, this section does demonstrate the author's admiration of, in order of appearance, fairness,

morality or righteousness (defined as not hurting others for the sake of profit and not acting against one's conscience), politeness, diligence, frugality, equilibrium (calmness in the face of adversity), honesty, respect, and courtesy. He condemned extravagance, heterodoxy, and indulgence. These values are very similar to those endorsed or condemned by the authors of the merchant manuals. The difference is that the author of the family instructions seems to have appreciated them for their intrinsic worth or for the religious merit they might bring (implied by the term "virtue" [*shan*]). Although the author did not mention any commercial benefits that compliance might bring, it remains likely that the elite as a whole did see such a connection.

Most of the values and personal qualities celebrated in the merchant manuals cited above were drawn from merchant culture and were not very different from the basic Confucian values. Yet, the Confucianism of the orthodox educators and the Confucianism of the mid-level merchants were not quite the same. Perhaps most telling was the exclusion of any discussion of the Way (*dao*) or Principle (*li*) in the merchant manuals, both key concepts in Neo-Confucian philosophy. The late Ming guidebook for Huizhou scholar-officials and merchants, *Solutions for Merchants*, for instance, stressed the importance of the three bonds (*sangang*) and five relations (*wuhun*), the basis of all relations in Confucian society, but these are not mentioned in the Qing merchant manuals. Relations with parents, teachers, and masters were more directly relevant to the life of the mid-level merchant.

Even here the merchant-authors make no explicit mention of filial piety. Although they may not have emphasized filial piety in their manuals, they must certainly have impressed the value's importance upon their own children at home. It is important to remember, nevertheless, that even though family relations were not the concern of the authors, some sections of these manuals were specifically meant for the young and impressionable apprentice. A more orthodox Confucian educator would have considered the omission of filial piety, a key Confucian value, reprehensible and advocated instead a more balanced and systematic moral education. The merchant-authors, however, did not have the luxury of this extensive approach. Their books had to be short and concise; most would either be memorized or used for quick reference. Books with information considered extraneous by real merchants probably would not have sold

well. However, mention of such key concepts as *li*, the *dao*, the three bonds, and five relationships would have lent the manuals an increased air of orthodoxy, an effect often sought by the authors. Leaving them out suggests not only expediency but also a de-emphasis of such concepts in mid-level merchant culture, rather than a rejection. We see in the manuals a reflection of the ongoing attenuation and popularization of high Confucian learning.

Moreover, as we will see in the next few chapters, when the demands of business forced him to advocate behavior that openly flouted Confucian values, Wang Bingyuan often felt compelled to plead mitigating circumstances to justify his advice in *Essential Business*. Observers in late imperial China, even those sympathetic to the commercial world, would sometimes characterize merchants as cunning and devious and lament the decline of commercial customs. At times, Wang acknowledged his deviation from the Confucian path and would immediately follow this admission by lamenting the demise of the golden age. During this undated golden age, customers and business associates had behaved with honesty and decorum, and the businessman had been able to respond in kind. If the reader were to follow these practices in his own degenerate age, then he would soon find himself out of business.<sup>6</sup> Instead, the reader was at times advised to be accommodating, compromising, and obsequious and not to take pity or be totally honest in order to defend himself from a “greedy” public. Confucianism, Wang implied, had to be remolded to conform to the needs of people working in a commercialized economy.

Mid-level merchant culture therefore emphasized those elements of Confucian teaching most suitable to the demands of business, adjusted those that directly conflicted with those demands, and de-emphasized or ignored those that they considered irrelevant. This process of adaption or adjustment was in accord with the tendency of educators to address themselves to everyday needs and with the original spirit of Neo-Confucianism itself as defined by the Song philosopher and educator Hu Yuan. Qing statecraft officials, moreover, believed that administration should be modified to meet human needs and changing conditions. One noted eighteenth-century scholar wrote, “The teachings of true principle cannot always be reconciled with the circumstances of the times. If one cannot entirely maintain the demands of true principle, then true principle must be adjusted to the circumstances of the time and only then do we have the practice of true principle.”<sup>7</sup>

It is important, nevertheless, not to exaggerate the gap between the worldview of mid-level merchants and that of elite Confucians; the manual authors still related closely to values associated with Confucianism. Rather than repudiating Confucianism, they adapted it for their own purposes and helped make it truly pervasive in late imperial Chinese society. While selecting and rejecting aspects of the Confucian message, they endeavored to portray themselves and their readers as upright and moral members of society who adhered to the basic Confucian values. After all, scholar-officials and wealthy merchants themselves engaged in a similar process of adjustment at their own social level; despite their higher status they, too, had to adjust the message of the Confucian philosophers to their own times. Merchant efforts to redefine Confucianism while still adhering to most core Confucian values signal the growing confidence of the late imperial mid-level merchant community.

### *The Merchant As Confucian Gentleman*

Although the merchant-authors used the term itself sparingly, they clearly viewed their readers as “gentlemen” (*junzi*) and occasionally contrasted them with the “petty men” (*xiaoren*) often met in the market towns and cities and on the rivers and roads—the beggars, thieves, gangsters, and con men propelled in part by exploding population growth. As we have seen above, the values and behavior urged upon the reader resemble those of the Confucian gentleman as originally defined by the classical Confucian and Song Neo-Confucian philosophers.

The representation of merchants in the merchant manuals contrasts sharply with that found in most morality books from the late imperial period and recalls Confucius’ own willingness to take commoners as disciples and to imbue them with the moral status of the gentleman. This theme is echoed in Zhu Xi’s preface to the twelfth-century Neo-Confucian anthology *Reflections on Things at Hand*: “Thus if a young man in an isolated village who has the will to learn, but no enlightened teacher or good friend to guide him, obtains this volume and explores and broods over its material in his own mind, he will be able to find the gate to enter. . . . He can then acquire all the beauties of the ancestral temple and all the richness of the governmental offices.”<sup>8</sup> The philosophical developments of the late Ming undoubtedly strengthened this impulse.

By asserting that tradesmen could also obtain the status of a gen-

tleman, the merchant manuals were implicitly arguing that they were closer in moral rectitude and perhaps even social importance to the scholar-official than the traditional theory of the four classes suggested. Even if mid-level merchants achieved success through their own, often unorthodox, methods, they could not be indiscriminately classified with those outside the ambit of respectable society. This assertion reflected the merchant's actual increased importance in a commercialized economy. The authors' unwillingness, however, to equate the merchant directly with the scholar-official demonstrates the economic and political gulf that still separated local mid-level merchants from the scholar-officials and wealthy merchants.

The term *junzi* denoted those who were devoted to doing what was morally right and was commonly contrasted to the term *xiaoren*, a designation for those only interested in benefiting themselves. According to Ping-ti Ho, Confucians believed that "the former should rule over the latter and that the differences between them in social functions, rights, obligations, and styles of life [were] therefore justified."<sup>9</sup> His words indicate just how important the distinction was to people living in late imperial China. Many classically educated people assumed the term "gentleman" applied only to members of the elite and not to members of the subordinate classes.

As we have seen, there were challenges to this position from various quarters. In addition, the spread of education introduced more and more children to the ideas and beliefs of the elite. Evelyn Rawski, for example, has demonstrated that artisans, clerks, and merchants were familiar with the *Thousand Character Classic*, one of the basic texts used in elementary school education. This primer taught children "the conduct proper for a Confucian gentleman: modesty in demeanor and dress, caution in speech, mental self-discipline, and humility."<sup>10</sup> Thus, in addition to the developments within the Taizhou school and the Huizhou merchant community, the efforts of the elite establishment to spread education may have been unintentionally subversive, leading members of the subordinate classes to view themselves as closer in moral standing to the elite than intended by their educators. Some shopkeepers, for example, took a *hao* (appellation or sobriquet) that came to represent the shop just as a scholar's *hao* designated his studio or garden.<sup>11</sup> Their increased numbers, economic power, and influence in society, however humble, undoubtedly reinforced this notion.

The attempts of the conservative elite to stabilize society as seen

in Qing morality books may also have had the unintended effect of bolstering the status of the mid-level merchant and making it even more attractive to members of the subordinate classes. One of the main goals of the morality book authors was to prevent people from leaving their hometowns and original occupations in search of profit. They were thereby forced, in the name of social stability, to praise the position of the shopkeeper and to emphasize his value to society.

However, the merchant-authors, in depicting the merchant as a Confucian gentleman, sought to do more than simply affirm his social position, prestige, and moral standing. As we shall see in chapters 4 through 7, the values of the Confucian gentleman were crucial in determining the success or failure of the merchants' business endeavors. An identity as a gentleman also provided a sense of psychological comfort and fortification to mid-level merchants as towns and cities were flooded by refugees from the countryside beginning in the late Ming. Townspeople saw these refugees as a threat to "traditional norms of deference and social order."<sup>12</sup> Gangs of ruffians swaggered about, threatening and extorting law-abiding townspeople. The increased multitudes also brought constant competition for merchants, the ever-present possibility of bankruptcy, and the fear of tumbling into the ranks of the urban or rural poor. One late Ming observer noted how enterprising members of the poorer classes relentlessly switched from one trade to another looking to maximize profits.<sup>13</sup> Status as a gentleman separated the mid-level merchant from this uncomfortably close "rabble."

### *Self-Cultivation and the Marketplace*

Self-cultivation practices and values associated with Confucian orthodoxy permeated mid-level merchant culture, formed the core of commercial training, and became closely linked to individual well-being and commercial success. *Essential Business* argued that character building could prove useful in the business world. The opening essay of *Essentials for Tradesmen* likewise linked the cultivation of benevolence, righteousness, propriety, knowledge, and sincerity with the acquisition of wealth. Although Wu Zhongfu acknowledged that it was possible to become wealthy without cultivating these attributes, he cautioned the reader that was not the way of the gentleman. Wu assured the reader that he himself had always behaved modestly and respectfully and had thereby benefited. Therefore in

his opening essay he stated that if the apprentice were to adopt these values, then he would become wealthy as an adult. In the nineteenth essay of the manual, he urged the reader to use righteousness to obtain benefit. Here again the Confucian tradition has been harnessed to the needs of the market. The manuals did not attach a pragmatic purpose to every Confucian value discussed in every essay; the overall result of adhering to these values, however, served the occupational needs of the tradesman.

A utilitarian approach was quite common during the late imperial period of Chinese history, and Wang Gen seems to have been in the forefront of this “movement” when he equated the practical needs of the people with the *dao*, or Confucian Way. Judith Berling recognized this practical conception of religion in the late Ming novel, *The Romance of the Three Teachings*: “The religious attitude of the novel . . . affirms basic Chinese values while at the same time encouraging behaviors and strategies suited to coping with a highly competitive urban world. Viewing religion as the management of moral capital stresses the practical and concrete side of religion, and adapts ancient values to the perceptions, attitudes, and concerns of a particular segment of late Chinese popular culture.”<sup>14</sup>

Precisely how did Confucian ethical concepts help the Qing dynasty merchant and tradesman? By taking a closer look at both the process of self-cultivation and the values stressed by merchants, we will see that their main purpose was to assist the merchant and tradesman in recognizing and avoiding the hazards presented by a minimally regulated economic and social environment.

For the merchant, self-cultivation meant the creation of a “finely tuned disposition” through the internalizing of Confucian values. A finely tuned disposition, developed through a lifetime of “constant self-examination and effort of will,” informed every act and decision, and ensured appropriate behavior in all situations.<sup>15</sup> While this version of self-cultivation was not as complex as that of the scholar-official—the merchant-authors do not discuss meditation or quiet-sitting, for instance—both are rooted in the Eight Steps of the *Great Learning* and both emphasized the connection between cultivating the self and activity in the world. As Tu Wei-ming has written, “. . . a Confucian always carries out his moral self-cultivation in the social context. He does not refrain from involvement in the world.”<sup>16</sup> Indeed, the self-cultivation of the individual serves as the premise for a peaceful world, a well-governed state, and a harmonious family. The



early Qing Confucianist Yan Yuan (1635–1704) stressed this connection between self-cultivation and the world and its relevance to the ordinary person. In Tu Wei-ming's words,

To have a tangible impact on the concrete realities of one's environment becomes an inseparable dimension of one's self-cultivation. If the new experience resulting from one's self-cultivation cannot be converted into some form of energy for the improvement of the world, it is both useless and worthless. . . . As the sage extends his practical value to the universe in general, so the ordinary Confucianist exerts his moral influence at home. . . . To do something is to make an impact on the existing order of things. No matter how small the impact is, it makes a useful difference.<sup>17</sup>

It was a short leap for merchants to connect self-cultivation to the marketplace and their own business. After all, these businesses were family run and would have fit naturally into the chain of causality linking the individual, the family, the state, and the world. As commerce increasingly dominated society, the well-regulated family business assumed an important place in the ordering of the world. As Zhu Xi made clear in his commentary on the *Great Learning*, "society can be governed only through individual and collective self-discipline and . . . collective self-reform is the means of society's renewal."<sup>18</sup> It was another short leap for merchants to connect the well-regulated business to the profitable business. For some this process of self-cultivation undoubtedly became a way of learning the tricks of the trade. For others, however, it allowed them to be successful merchants, respectable townsmen, and good Confucians.

How do we specifically link mid-level merchant culture with the Confucianism of the late imperial period? The *Great Learning* declares: "From the Son of Heaven down to the common people, all must regard cultivation of the personal life as the root or foundation. There is never a case when the root is in disorder and yet the branches are in order."<sup>19</sup> Quoting from the *Book of Odes* (*Shijing*) the text goes on to describe cultivating the personal life, "as a thing is cut and filed and as a thing is carved and polished. How grave and dignified! How majestic and distinguished! . . ." "As a thing is cut and filed" refers to the pursuit of learning. "As a thing is carved and polished" refers to self-cultivation."<sup>20</sup> The Neo-Confucian philosopher Cheng Yi viewed the *Great Learning* as the gate to virtue for the

beginning student. Zhu Xi edited the text, used it as the basis of his pedagogy, and made it the cornerstone of Neo-Confucian education. The importance of this passage could not have escaped the attention of late imperial merchants. Indeed, in *Essential Business* the author paraphrased the *Sanzijing* and the *Shijing* passage from the *Great Learning* in the opening essay of his text: "Now the block of stone must be cut and polished, only then can one become capable."<sup>21</sup> The extent of Wang Bingyuan's erudition must not, however, be exaggerated. The line combines two classical phrases, each of which had probably become a common saying by the time the manual was written and was considered common sense by most people of the day.<sup>22</sup> The reference to becoming capable, for example, comes from the *Sanzijing* and was learned in the first few years of elementary school. In the same essay, the manual author also paraphrased Mencius' well-known metaphor comparing the carpenter's use of the compass and square to the development of moral character. This phrase had probably already become a common proverb as well. We thus get a sense here how the mid-level merchants of late imperial China came to understand the teachings of the Neo-Confucian philosophers.

The author of *Essentials for Tradesmen* did not attempt to instill character in the same rigorous manner as the author of the *Essential Business* manual, yet he clearly connected character to business success. *Essentials for Travelers* stressed Confucian values in the context of specific situations, and the author was not at all concerned with character building. The authors of both *Essentials for Travelers* and *Essentials for Tradesmen* emphasized Confucian values and championed the role of the individual, but again may have assumed that the elementary schools would have addressed other issues in the apprentice's education. As mentioned above, the author of *Essential Pawnbroking* also heavily emphasized the inculcation of values and character building. In Huizhou children were likely to be well trained before becoming apprentices.

The Neo-Confucian philosophers were extremely interested in the problem of concentrating the forces of the mind. According to Thomas Metzger, "At least for Zhu Xi, the problem of establishing self-control in the face of powerful anxieties was connected to the perception of *shishi wuwu* (the realm of affairs and things) as powerfully and constantly tending to 'overcome' (*sheng*) the self. . . . One may well say that if one's person and one's mind lack a sense of being

securely in place, then in one's daily life one will just be constantly preoccupied and upset by considerations of personal advantage and disadvantage."<sup>23</sup> He further writes, "The diffuse sense of apprehension can be inferred from Zhu Xi's complaint about 'often feeling anxious and disturbed, lacking a kind of purity and oneness, a kind of deep, latent inner wholeness, and in speech or actions, constantly hurried, responding without a sense of reserve, and lacking an easily poised, dignified manner with an aura of inner depth.'"<sup>24</sup>

*Jing* (seriousness, or "inner mental attentiveness") was of course the Neo-Confucian solution to this problem of self-control. According to Zhu Xi, "Then the mind will be in a state of tranquility and will naturally be concentrated. When there is some matter to attend to, one simply responds to that matter in an appropriate way, and then becomes tranquil once more."<sup>25</sup> Judith Berling has cogently explained this concept: "The inner state of reverence entailed attitudes of seriousness, caution, and sincerity which governed moral activity. It was an attitude of concentration and single-mindedness which sustained calm whether the mind was active or at rest. Seriousness in action required undivided attention, avoidance of distractions, and appropriate responses to every situation."<sup>26</sup> Although this practice might sound rather difficult, Zhu Xi explained that it is nothing of the sort: "It is not necessary to talk much about the doctrine of holding fast to seriousness. One has only to brood over thoroughly these sayings [of Cheng Yi], 'Be orderly and dignified,' 'Be grave and austere,' 'Be correct in movement and appearance and be orderly in thoughts and deliberations,' and 'Be correct in your dress and dignified in your gaze,' and make real effort. Then what [Cheng] called straightening the internal life and concentrating on one thing will naturally need no manipulation, one's body and mind will be serious, and the internal and external will be unified."<sup>27</sup> These injunctions are referred to in the orthodox educational text *The Elementary Learning* (*Xiaoxue*) under the categories of comportment (*weiyi*) and drinking and eating (*yinsi*). This text regarded comportment and manners as indicators of the individual's cultivation.<sup>28</sup>

The merchant or shopkeeper by the very nature of his profession must have experienced levels of anxiety equal to, if not greater than, those experienced by the Song Neo-Confucian philosophers, who also lived in a time of rapid economic development and commercialization. The shopkeeper working in a store filled with customers jostling each other and shouting for his attention or the traveling mer-

chant beset by a crowd of brokers competing for his business undoubtedly keenly understood the need for inner calm. The merchant and the philosopher shared similar problems if not entirely similar goals. If the merchant were to allow irrelevant thoughts, desires, and outside stimuli to impinge upon him while he went about his work, he would inevitably make costly mistakes. Moreover, this “inner mental attentiveness” allowed the merchant to review his behavior constantly to discover and prevent errors in his work.

The manuals considered seriousness a key to doing business successfully and emphasized it in the training of apprentices. The author of *Essential Business*, in which the subject of education and values was given its fullest treatment, devoted several early short essays to the matter of the apprentice’s powers of concentration and encouraged the apprentice to be serious, dignified, and polite. As we will see in Chapter 3, the manual provided detailed instructions on physical behavior and conduct with the aim of achieving seriousness by promoting a dignified bearing while walking, standing, sitting, eating, and sleeping. The apprentice was also urged to think before he spoke and to choose his words carefully. The bearing and the behavior of the ideal tradesman would closely resemble that of the Confucian gentleman. None of the other manuals, including *Essential Pawnbroking*, contained similar rules of comportment. Other authors may have assumed that parents or teachers would have taught the apprentice these rules during his childhood, and thus he did not need to relearn them.

A second aspect of the apprentice’s Confucian-influenced training—the subduing of selfish desires—might have helped him avoid danger in the course of his commercial endeavors. Zhu Xi wrote on this problem: “If one relaxes for an instant, the mind will be caught up in the flow of material concerns, and there will be no way to recover the lost ground.” Selfish desires, therefore, had to be eliminated.<sup>29</sup> The importance of this point could not have been lost upon the merchant-authors and had undoubtedly reached them in some form. Hucksters and confidence men lured unsuspecting merchants and tradesmen into traps baited with money, banquets, and women. Petty merchants were particularly attracted to gambling, whoring, and opium smoking. It was therefore imperative for the businessman to cultivate seriousness and reverence and to renounce “selfish” desire in order to stay in business and survive physically.

The merchant manuals stressed the dangers of “selfish” desires.

The author of *Essential Business* warned the young apprentice, "One must be on guard and be fearful [lest you commit a transgression of propriety]. You must not go to excess and dissipation."<sup>30</sup> His warning to the reader not to befriend idlers who would involve him in drinking, gambling, and whoring and thus take his mind off business, again indicates that the author was interested in the practical, commercial application of the Confucian process of self-cultivation. When confronted by the wrong kind of person, the author urged the reader to adopt a serious air that would command respect and inspire awe in order to fend off the adversary. He pointed out that reason (*li*) controls the gentleman, but that law (*fa*) controls the petty man. The author was clearly calling on the moral authority and power of the Confucian gentleman to protect the merchant from these lesser men. A passage and commentary from the Confucian anthology *Reflections on Things at Hand* reads, "The way to guard against the inferior man is first of all to be correct oneself. If one is correct himself, although the inferior man is treacherous and tricky, there will be no chance for him."<sup>31</sup>

Although the author of *Essentials for Travelers* did not discuss Confucian character building, he subscribed to many values in the Confucian tradition and frequently condemned "selfish" desires.<sup>32</sup> He informed his reader that if he rose early with a clear mind, then he would not violate morality (*daoyi*, which here specifically referred to late night drinking, gambling, whoring, and thieving). As a result, whatever he did would go smoothly and whatever he sought would be obtained. The connection between self-control and economic success is quite clear. He also noted, "If you are greedy for small profit, this will lead to the loss of big things. Only those who do not wish to take advantage of others' property cannot be cheated by swindlers."<sup>33</sup> This idea of greed leaving the merchant vulnerable to the many criminals and confidence men who swarmed through the commercial world of Qing China pervades *Essentials for Tradesmen* and *Essentials for Travelers*.<sup>34</sup> For mid-level merchants who may not have had ready access to government protection, self-cultivation thus became an important means of self-protection.

In contrast to the elite philosophers of the Qing such as Wang Fuzhi and Dai Zhen, who may have recognized and accorded a place to human material desires, the mid-level merchant had to approach the issue more cautiously. Neither Neo-Confucians nor the merchant-authors denied the validity of all desires. In fact, *The Doctrine*

of the Mean (*Zhongyong*), another one of the Four Books, most likely served as a guide to merchants in this respect. The author of *Essentials for Tradesmen* wrote, "In general you must have things which you are fond of, but also things which you should avoid. From ancient times to now, extreme happiness has always resulted in anxiety. If you are satisfied with the middle way and harmony, you can then protect your health and obtain longevity."<sup>35</sup> In later chapters we will see numerous examples of how the merchant's desire for petty profit or sensual indulgence might have led to serious trouble. Nevertheless, avoiding extremes and realizing a modicum of satisfaction and happiness undergird mid-level merchant culture and informed much of merchant behavior and decision making. In a relatively unstructured and extremely competitive economic environment, reaching beyond this modicum could lead to decline and bankruptcy.

The author of *Essential Business* suggested a third way in which this emphasis on seriousness and comportment might benefit and protect the apprentice. All of the authors offered pointers on clothing, words, and actions to help the young merchant determine the moral nature of the person with whom he was dealing—to distinguish, in other words, between good and bad people. Only after the merchant came to know the nature of the person in question could he adopt the appropriate behavior himself. As the author of *Essential Business* advised, "When you meet King Wen, act according to rites and music, when you meet Jie and Zhou, wield an ax."<sup>36</sup> The authors of merchant manuals constantly underscored the untoward consequences of misjudging people. The *Essential Business* manual made a direct connection between this skill and seriousness: "One must stand straight and steady, be polite, be dignified and speak loudly and distinctly. With an exceptionally sharp mind and clear eye, one must judge the true and false and distinguish the wisdom and stupidity of people."<sup>37</sup>

Can a connection be found between cultivating seriousness and distinguishing right from wrong in the Neo-Confucian tradition? Zhu Xi did stress clearing the mind so that one could easily distinguish between right and wrong.<sup>38</sup> In addition, Confucianism's human-centered approach and its "investigation of things" might naturally lead the student to the study of human nature. Wing-tsit Chan has noted that "the 'investigation of things' came to mean understanding right and wrong and handling human affairs."<sup>39</sup> The *Yi shu* of the philosopher Cheng Yi indeed supports the case: "There

is principle in everything, and one must investigate principle to the utmost. There are many ways to do this. One way is to read books and elucidate moral principles. Another way is to discuss people and events of the past and present, and to distinguish which are right and which are wrong."<sup>40</sup> These concepts were conveyed to local merchants in a simplified form, and it is not difficult to imagine how they might have redirected this investigation to benefit their professional endeavors.<sup>41</sup>

Reciprocity was a key element of the Confucian project and constitutes the fourth aspect of the young merchant's basic training. Its relevance to the commercial world is discussed in the middle chapters.

In sum, Confucian notions and values were essential to success in commerce. In an economic environment without a strong institutional framework and in a world already infused with Confucian values, an approach to business emphasizing individual autonomy, morality, and good judgment constituted a rational and practical adaption to the rough and tumble world of the community and marketplace. Cultivating the self—the heart of the Confucian philosophy—was the first step in the apprentice's education.

### 3 THE APPRENTICE'S EDUCATION BEGINS



The actual education of the apprentice began, as did that of the future scholar-official, with the making of the man himself. One observer wrote of turn-of-the-century Ningbo: “We see that during his first year the apprentice learns only very little of his trade. According to the will of the parents, the master is obliged to talk with his young subordinates also about life in general and to teach them the manners which have to be observed vis-a-vis customers. Above all, he is supposed to commit them to frugality and honesty, since these constitute the basis of their subsequent well-being.”<sup>1</sup>

Several fundamental notions concerning knowledge, fate and individual will, and human nature underlay mid-level merchant culture and formed the basis of the apprentice's early education. These fundamentals provided the merchant with an overall framework for understanding his larger world, and they generally accorded with the broader culture of late imperial Chinese society.

#### *Selection of Young Apprentices*

On the selection of future apprentices, *Essentials for Tradesmen* recommends that parents pay close attention to the intelligence of their children. The brightest ones must be educated as scholars, those of middling intelligence as artisans and merchants, and those who exhibited the least promise as farmers. This recommendation closely parallels the views of many Qing period lineages concerning the relationship between a student's aptitude and his future occupation.<sup>2</sup> Although the author believes the tradesman can become a gentleman (*junzi*), he does not directly challenge the supremacy of the scholar-official.<sup>3</sup> However, *Essential Pawnbroking* indicates that this attitude



toward the scholar-official had already begun to change in Huizhou prefecture. Merchants throughout the late imperial period, especially traveling merchants, took a kind of pride in the difficulty of their profession. This pride is most evident in *Essential Pawnbroking*, which urges people in the trades to have their sons follow in their footsteps and acknowledges that, although a *zhuangyuan* (person who places first in the civil service examinations) comes along every three years, a really good apprentice was much harder to find.<sup>4</sup>

*Essentials for Tradesmen* further informs parents that boys between the ages of eleven and nineteen *sui* (Chinese year of age; a child is one *sui* at birth) are best qualified to become apprentices. Those under ten were still too immature to be disciplined and those over twenty were already too set in their ways to be educated. Lineages, in conjunction with this view, terminated the formal education of an unpromising child somewhere between the ages of ten and fourteen so that he could pursue other professions.<sup>5</sup> Some apprentices, like many children in late imperial China, probably began their elementary education in village schools at the age of seven or eight *sui* and studied for two to four years before entering their trade (according to anthropologist Fei Xiaotong, in the 1930s children in Jiangsu began school at the age of six, studied for six years, and then began learning a trade at the age of twelve).<sup>6</sup>

*Essential Business* does not discuss the intelligence or age of the prospective apprentice but does warn parents against sending their sons to apprentice in large commercial firms for fear they will become permanently corrupted by the refined and effete atmosphere of such places. The impressionable boy will inevitably be fired and have difficulty finding work because no other store will hire someone with such debased character. It is much better, the manual advises, to start him off at a small establishment where the capital is meager, the clothes simple, and the food plain. There every penny will be carefully counted and nothing will be wasted; the boy can learn the value of money and hard work. The author then paraphrases from Mencius: "One who gets close to red, gets red and one who gets close to black, gets black. To be born small and become great is easy, but to be born great and become small is difficult."<sup>7</sup> Once the young apprentice has gained experience and steeled his character in the small store, he can then take up employment in a larger store and expect to excel. The concerns expressed here echo those of the

authors of family instructions (*jiaxun*), who feared that children born into wealth and luxury would fritter away the family resources so assiduously built up by their father or grandfather.

*Essential Pawnbroking* approaches this concern from the opposite perspective, obviously influenced by the prestige and power (even if it was declining at this point) of the Huizhou merchant community. It warns its readers that, as most of them would begin their apprenticeships at big concerns, they would adjust to other circumstances only with great difficulty in the event that they were fired.

The manuals do not address every aspect of apprenticeship, however. None, for example, advises the shop owner on how to choose future apprentices. John Burgess wrote that it was common for the Beijing shop owner of the 1920s to require the apprentice to have one or more guarantors to vouch for his behavior and to prefer guileless country boys over obstreperous city boys.<sup>8</sup> Moreover, although not mentioned in the manuals, the usual length of the commercial apprenticeship was three years.

### *Early Training of Apprentices*

The Confucian optimism that all children could ultimately be educated permeated mid-level merchant culture of the late imperial age. The elite elementary text, the *Sanzijing* (The Three Character Classic), widely used by educators during the Qing period, optimistically states, "Men at birth are naturally good. Their natures are much the same; their habits become widely different. If foolishly there is no teaching, their nature will deteriorate."<sup>9</sup> The merchant manuals also reflect this optimism, which in turn echoes the Confucian view of human nature as originally articulated by Mencius. In fact, we can liken the dangerous political environment of the warring states period to the dangerous economic environment of the late imperial period; without education, the individual would be subject to a plethora of evil influences. *Essentials for Tradesmen* states that children are inherently good but that education is necessary to ensure they remain so. *Essential Pawnbroking*, not surprisingly, concurs: "Young children are like bamboo shoots [just] emerged from the mud. If you take good care of them, the slim bamboo will become a forest. If you do not take care of them, they will become useless things."<sup>10</sup>

Wu Zhongfu, however, perceives a variety in human nature not commented on by Confucian philosophers such as Mencius.<sup>11</sup>

According to Wu, "Now as to people's character, some are hard, some soft, some easy-going, and some tense. They are not all the same."<sup>12</sup> He opines that character is partially formed at birth and partially formed by education. If a person has a stubborn nature, however, educating him will be very difficult.

Despite Wu's differences with the great philosophers, they do not necessarily separate Wu from other groups of his own society. In a section of *Essential Pawnbroking* on handling employees, the author notes that all people have a "different mind and a different temperament."<sup>13</sup> In addition, Patricia Ebrey has shown that Yuan Cai, a member of the *shidafu* class of the Song dynasty, held similar views of human nature. As Yuan Cai's family instructions were popular during the Qing, other members of the Qing elite no doubt had similar ideas.

*Essential Business* suggests that different teaching approaches be used with students of varying abilities. Wang Bingyuan advises the master to handle intelligent students gingerly, not to admonish them too severely, and to explain everything to them clearly and in detail. With duller students, the master naturally must proceed at a slower pace. If a student makes no progress after two years, however, the apprenticeship should be discontinued. The shop owner is advised not to let an untalented apprentice compromise the reputation of his shop.

Many of the early essays in *Essential Business* and *Essentials for Tradesmen* stress the importance of establishing the proper relationship between apprentice and teacher once the boy was taken on. Discipline and obedience, as might be expected, were urged upon the young apprentice. One essay in *Essentials for Tradesmen* is devoted to the proper forms he was to use in addressing teachers, elders, and other employers in the shop. The teacher, in turn, must serve as the model for the novice. Without this model, the apprentice will fall under the influence of disreputable characters and assume bad habits that will burden him for the rest of his life, reflecting the Confucian view of the teacher as a moral paragon. Elementary school regulations during the Qing also warned of the consequences of a community's failure to procure a morally upright teacher to instruct its children. According to a popular saying, "We must not forget three people all our lives: our parents, to whom we owe our existence, our teachers, who have formed our mind, and our masters, who have taught us a trade."<sup>14</sup>

Four early essays in *Essential Business* emphasize the student's submission to his teacher, reminding him that the teacher's reprimands and scoldings are meant for his own benefit: "If there are two men in the store and one scolds you and the other does not, it is not true that the one who scolded you is a bad man and one who did not is a good man. . . . After you grow up, you will realize that the man who scolded you was your benefactor and the other your enemy."<sup>15</sup> The *Sanzi jing* also emphasizes severity, and teachers in the late Qing stressed discipline.<sup>16</sup>

The master was nevertheless urged to exercise patience and keep his temper when training his apprentice. Any show of anger might intimidate the student and interfere with his learning. If the teacher maintained his control, the student would likely remember him favorably when he grew up and became a clerk or shop owner in his own right. The manuals attached great importance to establishing personal relations and building informational networks when doing business. Although not specifically mentioned, the master-disciple relationship most likely formed the basis of such relationships and networks.<sup>17</sup> Furthermore, masters who in their old age were childless or impoverished might depend on their former apprentices for support. These master-apprentice relationships undoubtedly formed a kind of modest safety net for some in the insecure and unpredictable late imperial world.

As with the other merchant manuals, *Essential Pawnbroking* is in basic agreement with the essentially Confucian view of the role and importance of the teacher. It adds that when a student apprentice makes a mistake he has to be clearly corrected. If the boy persists in his error, the teacher is advised to speak to him again in the leisure hours after dinner.

At the elementary school, in addition to learning to read and write, children obtained a basic understanding of Confucian morality. Teachers sometimes chose passages from illustrated morality books to convey the Confucian message to the young students. Many artisans and merchants during the late imperial period were familiar with the standard educational primers, the *Sanzi jing* and the *Qianzijing* (The Thousand Character Classic). The ideology found in elementary texts such as the *Sanzijing* was compatible with commercial and egalitarian values: "Optimistic, affirmative of the basic goodness of man, approving of advancement and success, free of fatalism or caste mentality, the little book, avowedly or subliminally, exhorted countless Song Chinese in their marketplace or

examination halls to strive unceasingly for a better life.”<sup>18</sup> Arthur H. Smith, the missionary observer of late Qing China, cites the case of a father sending his son for an education in the hope that it will prepare him to take over a small business.

Smith notes, however, that children were not specifically educated for a career in commerce: “To add, to subtract, to divide, to multiply, to know what to do with decimal fractions, these are the daily necessities of every one in China, and yet these are things that no one teaches. Such processes, like the art of bookkeeping in western lands fifty years ago, must be learned by practical experience in shops and places of business.”<sup>19</sup>

Once the apprentice joined a shop or firm, his education centered on the learning of short, pithy paragraphs. As the Neo-Confucian philosopher Cheng Yi put it, “When a person is young, he is not master of his own knowledge or thought. Proverbs and sound doctrines should be spread before him every day. Although he does not yet understand, let their fragrance and sound surround him so his ears and mind can be filled with them. In time he will get used to them as if he had originally had them.”<sup>20</sup>

Education began with learning comportment. When walking, the apprentice was to keep his arms at his side, gazing straight ahead and watching where he was going. He was enjoined to be solemn and serious and “not behave like a rodent, looking here and there [furtively] or running wildly with arms waving and behaving like an idiot.”<sup>21</sup> He was to stand erect and never lean against the wall. He was to sit upright at the edge of his chair and never shake his leg or foot. He was enjoined to eat slowly and not be gluttonous and never keep his elbows on the table. He was told to sleep on his side with his knees bent and never to snore, talk in his sleep, or let his arms or feet stick out.

The above advice bears a close resemblance to several of the rules in a Neo-Confucian treatise on education:

3. Daily behavior. You should have a defined living area. When in a group you will be seated according to your ages. When sitting, you must straighten your backs and sit squarely in the chair. You should not squat, lean to one side, cross your legs, or dangle your feet. At night, you should always wait for the elders to go to bed first. After they are in bed, you should keep quiet. Also, you should not sleep during the day.
4. Gait and posture. You should walk slowly. When standing, keep

your hands folded in front. Never walk or stand in front of an elder. Never turn your back on those who are superiors in age or status. Do not step on doorsills. Do not limp. Do not lean on anything.

5. Looking and listening. Do not gape. Do not eavesdrop.
6. Statements should always be verifiable. Keep your promises. Your manners should be serious. Do not be boisterous or playful. Do not gossip about your neighbors. Do not engage in conversations about vulgar matters.
7. Appearance. Be dignified and serious. Do not be disobedient. Do not be rough or rude. Do not be vicious or proud. Do not reveal your joy or anger.<sup>22</sup>

The importance of speech was also stressed in all the manuals. For example, *Essential Business* advised, “When speaking, it is essential to be respectful and deferential, to maintain a peaceful countenance, and to be truthful. Only then will you become a gentleman (*zhengren junzi*).” The apprentice was further enjoined never to “speak without thinking, interfere with others’ conversations, or talk too much.”<sup>23</sup> He was to speak loudly and clearly and never mumble or shout.

The authors emphasize articulateness for pragmatic reasons. Not only would the apprentice be able to deal with customers more effectively but also he would be able to gather information by questioning people about market conditions. This emphasis also has a basis in Confucianism. As Benjamin Schwartz points out, “The constant admonition to reticence and caution in speech, on stressing action rather than speech relates to this mistrust not of language but of the perverse misuse of language in a corrupt world.”<sup>24</sup> The Neo-Confucian anthology *Jinsilu*, moreover, contains a passage entitled “Admonition on Speech”:

The activities of the human mind  
Are expressed through words.  
If in one’s expression he allows no rashness or falsehood,  
He will be tranquil and concentrated within.  
More especially, words are a turning point  
That can lead to hostility or amity.  
Good and evil fortune, and glory and shame,  
Are all invited by them.

When they are defective by being light-hearted, they will be heedless.  
 And when they are defective by being too many, they will be  
 fragmentary.  
 To lose control of oneself is to violate the principle of things.  
 What one does to others will be done to him.  
 Do not say anything contrary to propriety.  
 Respectfully obey the injunction of the Sage.<sup>25</sup>

*Essential Business* and *Essentials for Travelers* both suggested that the apprentice or merchant rise early so that he could begin work with a clear and vigorous mind. *Essential Business* exhorted further: "One must place commerce in his heart. He must not let the mind run wild. Even if one has cares and anxieties, one must push them out of one's mind. There is a saying, 'the mind cannot be occupied by two matters [at one time]. If your mind is preoccupied by other matters, then you cannot do a good job.'"<sup>26</sup> Later the manual author enjoins the apprentice to be "calm and even-tempered, and take things one by one."<sup>27</sup> And again, "never become agitated and confused when you become too busy. [If you do], then a lot of errors will be made."<sup>28</sup> The Confucian emphasis on seriousness obviously undergirds the apprentice's character training here.

Two Western accounts suggest the success of this commercial training for at least some tradesmen. In the mid-nineteenth century Robert Fortune wrote, "It was amusing to notice the quietness of these men compared with the clamorous crowds who stood in front of their shops with silk for sale."<sup>29</sup> Toward the end of that century the Victorian traveler and writer Isabella Bird described the shops of Chengdu: "Within, respectable, richly dressed shopkeepers await customers, and serve them with due dignity, but make no attempt to ensnare them."<sup>30</sup> And in the story "The Shop of the Lin Family," the author Mao Dun describes the fictional Mr. Lin as "devoting his whole being to business" and "marshalling all his energies" when attending to the shop.<sup>31</sup>

### *Knowledge*

How was the acquisition of knowledge viewed in the merchant culture of the late imperial period? How were apprentices and beginning merchants to know what to learn and how to learn? *Essential Business* addresses these issues at length. Wang paraphrased the *Ana-*

*lects* to demonstrate that the number of people born already possessing knowledge was exceedingly small. Education was therefore essential. In the 1854 and 1900 editions of *Essential Business*, he again echoed Confucius when he informed his readers that learning was a lifelong endeavor and that one could still learn in old age. Complacency was the enemy of even the most successful businessman. *Essential Pawnbroking* also held this Confucian view of learning as a lifelong process.

*Essential Business* stressed attentiveness and an eagerness to learn. The apprentice was urged to listen to all conversations when standing behind the counter in the hope that he would either learn from others or overhear something not meant for the store owner's ears. He was enjoined not to be meek or passive but to seek the advice of those senior to him when confronted with a problem. *Essential Pawnbroking* also urged the reader to consult with his elders if he had any doubts, but it did not stress attentiveness or eagerness to learn as much as *Essential Business*. Both *Essential Business* and *Essentials for Tradesmen* encouraged the novice to seek guidance from his teachers, when time and circumstances allowed, on matters such as balancing the scale, evaluating the quality of silver, calculating on the abacus, writing letters, conversation, and courtesy.

The final essay in *Essential Business* pointed out that the teacher's advice and the regular rules represented only the beginning stages of learning. The good businessman, motivated by the total devotion to duty discussed in Chapter 2, constantly had to probe and study new methods and tricks for himself to improve his business. In an essay on analyzing market conditions, the manual advised the reader to investigate the source of market changes and to weigh all elements in deciding whether or not the change was a "real" one.

Late Ming and early Qing China witnessed a profusion of printed material, which spread knowledge to the common people, and the Qing manual authors were interested in the broad acquisition of knowledge to a certain degree. While the merchant manuals and guidebooks were filled with information on travel routes and the customs and products of local areas, the authors' concept of the purpose of knowledge and of the investigation of new methods did not seem to go beyond immediate business use. In fact, the apprentice, imbued with seriousness, was warned not to waste his time discussing matters not related to business: "People in business should discuss only business."<sup>32</sup> This attitude arose from the fear that interest



in other matters might distract the businessman from fully devoting himself to his profession. The warning, if taken to heart, no doubt saved the apprentice from bad companions bent on involving him in drinking, whoring, and gambling, but it would certainly have narrowed his intellectual horizons.

An edition of *Essential Business* discovered by Sidney Gamble during the 1920s indicates that the early years of the twentieth century witnessed a broader perspective of what constituted useful knowledge. The apprentice was now urged to study letter writing, read useful books, and even learn to read and speak a foreign language in order to do business with foreigners. The author specified which foreign languages were useful in which areas of China, again indicating the far-flung readership of this manual and the relevance of these manuals to mid-level merchants in large cities. Another indication of modern times was the author's advice to learn to calculate with a pen in addition to the abacus.

*Essential Pawnbroking* took a more liberal approach to learning than the original edition of *Essential Business*, an approach that may have reflected the author's social standing. The author advised that diligence did not merely reside in hard work and urged apprentices in their spare time to read orthodox books (*zheng shu*), tracts on silent recompense (*yinzhi wen*), books on the essentials of pawnbroking, guides to social intercourse and letter writing, and medical books. Such readings would not only enhance the apprentice's skills, but also serve as the basis of his self-cultivation (*xiushen yangxing*). The pawnbroking apprentice who accepted this advice would be much more refined and knowledgeable than those apprentices reading the other manuals and would be better able to mix with members of the Qing scholarly elite (the concern with silent recompense, for example, also thoroughly permeated the clan regulations of the Qing dynasty), as one would expect from a Huizhou merchant.

In addition to reading, *Essential Pawnbroking* also encouraged the pawn trade apprentice to spend time copying standard calligraphy and learning grass characters (*caozhi*). Clerks in the trade had to write out pawn slips for the customers, and a mastery of grass characters, the manual suggests, would prove useful should the student apprentice be promoted to accountant of his firm. Having learned grass characters, the apprentice could then advance to proper or orthodox characters (*zhengzhi*) to handle more elevated tasks such as writing formal letters. The author also indicated that the student's

characters had to be disciplined and not wild and flamboyant, for handwriting served as the representation of a person. Although Wu's *The Merchant's Guide* contained model correspondences for the specific use of the merchant, none of the other manuals addressed the subject of handwriting other than to advise the apprentice to practice his characters. The quality of an individual's handwriting might have indicated his social status and served as a line of demarcation among those able to write, perhaps separating mid-level merchants from sojourning merchants.

*Essential Pawnbroking* also reflected the author's preoccupation with the proper disposal of paper with characters on them, the physical manifestation of knowledge. This task had religious significance in imperial China and morality books accorded merit to those who properly disposed of such paper. In one essay, the author of *Essential Pawnbroking* equated this duty with a trip to a sacred mountain. *Essential Business* makes only one reference to this subject, advising the apprentice to pick up paper with characters on it, but it does not discuss the religious merit he would obtain by doing so. The other manuals did not mention this observance, and it may not have been an issue for them—as indicated by a gentry complaint that merchants were stamping characters on the soles of shoes!

### *Fate and Individual Will*

How much could the young apprentice be expected to achieve during his life as a merchant? Wu Zhongfu, in the preface to *The Merchant's Guide*, notes, "Whether you become extremely wealthy [*da fu*] depends on your fate; whether you become modestly wealthy [*xiao fu*] depends on your effort."<sup>33</sup> Human beings, according to Wu, although not completely free from fate, were sufficiently free to achieve what we might call a middle-income or even an upper-middle-income level. In his *Essentials for Tradesmen*, Wu emphasizes the importance of a person's will in determining success or failure. An individual with ambition, he believes, can rise to the highest position in any profession. In a later essay, he urges the apprentice to apply himself unstintingly, for "those who are capable can go anywhere" (literally—"ride the wind and waves").<sup>34</sup> This emphasis on the individual and individual will forms the core of the self-cultivation approach to commerce; we cannot understand the culture of

the mid-level merchant without understanding the premise of self-cultivation.

The author makes the same connection between individual effort and success in *Essentials for Travelers*. In one essay, he offers a puritanlike justification for hard work and the accumulation of wealth. According to *Essentials for Travelers*, Heaven conveyed wealth and prestige only to those who were able in business and who could make their fortune (*qi jia*). Thus simply by obtaining wealth and status, the able could prove that they had obtained Heaven's favor. The author then notes that even if wealth or poverty were predetermined, no one had ever become wealthy without effort. The wealthy enjoyed good food and clothes because of their diligence. The poor suffered deprivation and hardship because of their lack of effort: "If you look at those lazy people wandering around doing nothing, with no food coming from Heaven and no clothes coming from the earth, one cannot believe these kinds of people will not suffer from hunger and cold."<sup>35</sup> The blame for poverty is thus placed squarely upon the shoulders of the poor, who visibly increased in numbers over the course of the dynasty. The wealthy, therefore, can enjoy their wealth because they worked hard and thus obtained Heaven's favor.

This attitude toward economic success and hard work pervaded Chinese culture.<sup>36</sup> Indeed, the passage from *Essentials for Travelers* cited in the previous paragraph can be found virtually word for word in one of the stories from the late Ming *Sanyan* collection.<sup>37</sup> For merchants, however, it could have specifically been used to justify their wealth, or relative wealth, and to reject the negative images of their profession presented by the morality book authors and other conservative elites who often explicitly blamed merchants for poverty in society. The poor had only themselves to blame and therefore should not be singled out, as the morality book authors implore, for special consideration. It is striking that the Qing merchant manuals reviewed here, in great contrast to the morality books, rarely remark on a separate category of poor people who are deserving of special consideration. Moreover, only one essay mentions charity, emphasizing the importance of sincerity when donating money to charity, which was a prominent theme in the Ming guidebook *Solutions for Merchants*.<sup>38</sup> The author of *Solutions*, however, does stress the connection between poverty and indolence. That merchants associated poverty with laziness in the context of a growing market economy,

nevertheless, signals an important break with the ideology of agrarian society. Indeed, their stereotype of the poor dovetails with the common perception in late imperial society that clever people engaged in business while only the stupid remained on the land cultivating the soil.

Wang Bingyuan, the imputed author of *Essential Business*, does not dwell upon the possibility of becoming wealthy or discuss the importance of an individual's effort to the same degree as the authors (the individual and individual effort, nevertheless, are still central to the manual). Toward the end of the manual, in addressing shopkeepers, Wang does mention the possibility of becoming wealthy but only within the context of being frugal and saving every penny. He also instructs the apprentice that nothing is difficult if one applies oneself, but this lesson is also presented in the more limited context of mastering specific tasks within the store. Later, Wang advises the store owner of the importance of individual effort but notes its limits: "If you put your heart and will into business and still cannot attract customers, then that is the will of Heaven."<sup>39</sup> The hard-working businessman whose shop fails thus obtains a measure of consolation. In a later essay on the traveling merchant in the 1900 edition of the manual, the author declares that although life and death are determined by fate the reader should still not act recklessly and blithely avoid warnings. Here again humans have the ability to control certain aspects of their lives within the course of a fixed destiny.

Geography explains much of the differing degrees of emphasis in the various manuals. Opportunities to amass wealth were much greater in the commercially vibrant southern and central parts of China than in the less developed northern reaches of the empire. Wang Bingyuan in *Essential Business* notes tellingly, "One must be flexible and resourceful, competing for a small slice of things."<sup>40</sup> In contrast, Wu Zhongfu in *Essentials for Travelers* constantly refers to situations in which the reader might be in possession of sizable amounts of money. Greater opportunities to obtain wealth most likely prepared the intellectual ground as well. Many late Ming writers from the lower Yangzi valley began to place a great deal of importance on the role of individuals in determining their own fate.

As Wang Gen (Jiangsu) wrote, "If in one's conduct of life there is any shortcoming, one should look for the fault within himself. To reflect on oneself is the fundamental method for the rectification of

things.”<sup>41</sup> The same connection between the individual and success, even if employed for more prosaic purposes, is found in diverse writings of the late Ming. The Confucian scholar Yuan Huang (Zhejiang, 1533–1606) and the Buddhist monk Zhu Hong (Zhejiang, 1535–1615) both wrote morality books and ledgers of merit and demerit that provided individuals with a detailed program by which they could seize control of their own destiny and achieve material success without having to rely upon authorities in this world or the next. The novelist Li Yu (Jiangsu, 1611–1680) wrote in his *Rou pu tuan* (The Prayer Mat of Flesh) (1634), “Beyond a doubt the way to Buddha is paved with bitterness. Unless you harden your nerves and sinews unsparingly, you will never attain to him. . . . In this way [the reader] will gradually attain perfection by his own efforts and will become like Buddha.”<sup>42</sup> Another late Ming novel, *The Romance of the Three Teachings*, written by Pan Jingruo (Jiangsu) of Lin Zhaoen’s syncretist school and set in the Jiangnan area, also emphasizes the role of the individual in shaping his or her own life.<sup>43</sup> This view of individual effort and the emphasis on the self pervaded the popular literature of the late Ming and early Qing and undoubtedly influenced the authors of *Essentials for Tradesmen* and *Essentials for Travelers* in advising apprentices. The late Ming guide *Solutions for Merchants*, published in Huizhou in 1635, in fact, offers a link between this sentiment in the Ming and the Qing dynasty works: “Wealth comes from hard work, poverty from laziness”; and “Heaven confers rank according to talent. People who are capable can make a fortune for their family.”<sup>44</sup>

In contrast, *Essential Pawnbroking*, written for Huizhou apprentices in the economically advanced Jiangnan area (Zhejiang), differs quite strongly from the other manuals written in the Jiangnan area on the role of freedom and fate: “Wealth and poverty have their own time and are determined by fate. They cannot be affected by human will.”<sup>45</sup> This statement expresses a view broadly held by the Chinese elite of late imperial times. Hui-chen Wang Liu found that nineteen of forty-nine clan regulations she studied stated explicitly that Heaven determined one’s fate and that some clan regulations explicitly claimed one’s social and economic status was determined by Heaven.<sup>46</sup> These indications of a persistent, traditional fatalism may have been one source of tension, at least in the Jiangnan area. Yuan Huang, the scholar, Zhu Hong, the monk, and Li Yu and Pan Jingruo, the novelists, were more attuned to the needs of the subordinate

classes than the conservative moralists. Although Yuan Huang did obtain the *jinshi* degree and an official position, he was known to have been influenced by the radical philosophy of Wang Gen.

Yet even those with higher social positions did not wholly subscribe to a belief in Heaven's control over human fate. According to the author of *Essential Pawnbroking*, who seems to have been of higher social standing than the other Qing manual authors, human beings were capable of influencing the action of Heaven and, through their deeds and actions, of nourishing their *fu*, which here has the broader sense of good fortune rather than a meaning of mere wealth.<sup>47</sup> The author quotes the saying attributed to Lao Zi, by now part of proverbial wisdom, found at the beginning of the Song morality book *Taishang ganying pian* (The Treatise of the Most Exalted One on Moral Retribution): "Curses and blessings do not come through doors, but man himself invites their arrival."<sup>48</sup>

Hui-chen Wang Liu describes how the authors of clan regulations made sense of these seemingly contradictory ideas: "The general attitude in the clan rules is to entrust everything to the way of Heaven. However, Heaven is believed to be a moral force which will bless the people of good moral conduct, especially those who have unostentatious virtues or virtues not generally known to others. One should not resign oneself to fate in a negative way but should strive positively to improve upon his destiny by kind deeds."<sup>49</sup> We can see how this principle operated in an essay included in a volume of family instructions from the late imperial period: "Not only wealth and prosperity, but even a bolt of cloth or a grain of rice owned by common people and wealthy people is determined by fate. Whether peasants have a good or bad harvest or whether merchants make profits or suffer losses, none can be forced. But if that is so, should one abandon business and give up hard work and simply stand idly by accepting one's fate? I am not giving validity to the common saying, 'you can only obtain wealth by chance and not through effort.' If you keep your conscience and do not harm your moral integrity, [you can make the effort]."<sup>50</sup>

This compromise between freedom and fate was articulated by the scholar Li Fu during the seventeenth century: "Li simply asserts that there are two different kinds of fate, one predetermined by Heaven (*yuding zhiming*), and completely unchangeable, and one indeterminate or unfixed fate (*wuding zhiming*) that is dependent on the accumulation and movement of *qi* and that can be affected by

individual deeds.”<sup>51</sup> Li's view, however, can be traced back to Mencius: “Though nothing happens that is not due to destiny, one accepts willingly only what is one's proper destiny. That is why he who understands destiny does not stand under a wall on the verge of collapse.”<sup>52</sup> It is apparent that the authors of the *Essential Business* and *Essential Pawnbroking* manuals both adopted this compromise view of freedom and fate.

Some of the differences between the views held by those with relatively higher social standing and the views found in Wu Zhong-fu's compilation are more of emphasis than of outright disagreement. Although Wu certainly does stress freedom more heavily, he too subscribes to the idea that a human being has both limitations and opportunities. Other differences are sharper. First, Wu specifically relates the fate versus freedom debate to commercial wealth, defining the kind of wealth one was free to earn (*xiao fu*) and the kind of wealth to which he could not aspire (*da fu*). Second, he replaces the kind deeds treasured by the elite with the notion of ability as a prerequisite for economic success. Heaven, in other words, would bless not only the good but also the able.

### Sanctions

How did the manuals attempt to ensure that the young apprentices listened to their message? *Essential Business* warned that they would not become proper adults, would not receive a proper business education, or would damage their reputation if they failed to follow its advice. Wang also stressed the positive implications of these warnings to induce compliance. In one essay, he counseled the apprentice-reader to return any money found on the ground to the cash box in the store. The master of the store, after all, might have deliberately left that money there to test him. In *Essentials for Tradesmen* and *Essentials for Travelers*, the author described the untoward and sometimes dire consequences of the apprentice's or young merchant's failure to follow the proffered advice.

*Essential Pawnbroking* followed a totally different approach by invoking supernatural sanction. In contrast to the other manuals, which made only scattered references to Heaven (*tian*), *Essential Pawnbroking* constantly warned the reader that Heaven would punish his transgressions. Even transgressions unknown to others would harm the secret virtue (*yinde*) of the doer. For most offenses the

punishment was a shortened life with no heirs, but other punishments fit the crime, such as starvation for wasting food. Rewards for correct behavior included obtaining longevity for the reader, having descendants who would obtain official titles, giving *yin* (secret) virtue or *fu* (fortune or wealth) to descendants, passing one's business on for several generations, and obtaining Heaven's protection and support. Not only did the other manuals rarely refer to Heaven, but also they never discussed the descendants of the reader—let alone the possibility that they might become officials!

The mundane concerns of the manuals are reflected in the previous example of unexpectedly coming upon lost money, a device commonly used in late imperial China to teach situational ethics and often found in the *Sanyan* stories. In the stories, however, the merit earned by returning the money is later rewarded by great fortune or the avoidance of great disaster; in the merchant manuals the returner of the money simply avoids getting into trouble with his employers.

Certain concerns and preoccupations of the manual authors explain their disregard of the supernatural. First, by ignoring gods and ghosts, mid-level merchants may have been associating themselves with the rationality of the scholar-official elite. Indeed, several prominent scholars and educators in the eighteenth century attacked "superstition."<sup>53</sup> The poor Confucians and upwardly mobile would have been particularly keen to behave like the idealized elite. Although this explanation contributes to our understanding, we cannot take it very far. Most members of the scholar-elite did indulge to varying degrees in activities related to the supernatural, and certainly the author of the tonier *Essential Pawnbroking* had no compunction about mentioning the supernatural. The emphasis placed on the self by the merchant manuals suggests a second explanation: the authors placed great faith in the powers of the individual to achieve personal goals and ignored the efficacy of appealing to Heaven. And third, C. K. Yang has shown that the elite of late imperial China—or some segments of the elite—used supernatural sanctions to control the subordinate classes, a position that seems to be supported by Cynthia Brokaw's work on morality books.<sup>54</sup> The merchant manual authors' emphasis on rationalism, then, can also be seen as an explicit rejection of the conservative elite's manipulation of supernatural forces to limit the behavior and activity of the merchant.

*Essential Pawnbroking* also attempted to gain compliance by reviewing the effect of the apprentice's actions and behavior on his



family in Xin'an (Huizhou prefecture). The author envisioned for the reader the glorious homecoming he would receive if he successfully completed his tenure as an apprentice. He described for the young man how proud his parents and relatives would be and how other families would be desirous of arranging marriage with him. He contrasted this with the homecoming of the failed apprentice, discussing in detail the family's rejection of the young man and his subsequent difficulties eking out a living. The apprentice was also urged to think of his parents when buying clothes or a meal and was advised to inquire of himself whether or not his parents could afford clothes and food of the same quality. Other merchant manual authors wrote little about the apprentice's family and certainly did not use the family to obtain adherence to their advice. They undoubtedly approved of filial piety but did not feel the necessity to emphasize it to the same extent as the author of *Essential Pawnbroking*.

Inculcated with this general understanding of himself, the world, and his relation to the world, the apprentice was now prepared to take on the more specific aspects of doing business in late imperial China. He not only had to learn the nature of government and community and the art of personal relations but also had to master a large body of commercial knowledge. As a mid-level merchant, he would be guided and motivated by his early education and its emphasis on self-cultivation.

## 4 RELATIONS WITH GOVERNMENT AND COMMUNITY



Understanding government and community was crucial to business success in late imperial China. Generally, the merchant-authors valued the business interests of their readers and emphasized avoiding offenses that would endanger those interests rather than conscientiously fulfilling obligations to state and society. The authors took the same approach to personal relations. Once the merchant mastered this broader context, he could move to the more detailed aspects of running a business.

### *Relations with the Government*

The Qing court took a benevolent view of petty merchants and shopkeepers and frequently expressed concern for their well-being. The Yongzheng emperor (r. 1723–1736), for example, sponsored a handbook for magistrates concerning the bureaucratic exploitation of merchants, and the Qianlong emperor (r. 1736–1796) issued an edict on exploitation of merchants in 1738.<sup>1</sup> Many merchants throughout the Qing successfully petitioned the local government for help with a wide variety of problems.<sup>2</sup> The attitude adopted by the merchant manual authors toward established authority, however, represents another facet of late imperial commercial mentality. In their view, government officials were an inevitable part of the merchant's world and yet were not considered agents to whom the shop owner or traveling merchant could appeal in time of difficulty.<sup>3</sup> On the contrary, the officials were more likely to add to the merchants' troubles. Given this view of government, the authors of the manuals preferred to teach merchants to avoid difficulties at the outset rather than to solve problems after the fact. Their readers were to respect and obey the government but to rely upon themselves and avoid all unnecessary contact with it.

The authors of *Essential Business* and *Essentials for Travelers* advocate respect for officials appointed by the court and who thereby have the “authority [*quan*] to control ordinary people.”<sup>4</sup> In addition, they counsel the reader to pay taxes and custom duties promptly. According to Arthur H. Smith, the Chinese had an “innate respect for law.”<sup>5</sup> As in most matters, however, the merchant-authors viewed the law and relations with the government pragmatically. Officials, even low-ranking ones, wielded considerable power and could cause the person who crossed them no small amount of regret. The authors likewise did not present any moral argument to persuade the merchant to pay his taxes. Given the rampant tax evasion practiced by merchants, this probably would have been a futile exercise in any case. Instead the merchant-authors pointed out the serious consequences of trying to cheat the customs officers. The merchant might have all his goods confiscated as well as leave himself open to blackmail.<sup>6</sup> The manuals did not fail to indicate that confiscation might lead to bankruptcy, undoubtedly a real possibility for those living near the margins of the commercial economy. The authors continually warn their readers that short-term gain leads to disastrous long-term consequences and should therefore be avoided. Respect for officials and obedience to the law did not, however, mean that the merchant manual authors felt comfortable with the government and its regulations. Rather, they enjoin their merchant readers to avoid the bureaucracy whenever possible.<sup>7</sup>

The generosity and magnanimity of the emperors did not necessarily flow down to their minions. *Yamen* (government office) underlings, in fact, were often involved with criminals and criminal activities. These sub-officials, clerks, and *yamen* runners did not receive a government salary, by and large, and sought riches by extorting the local populace. Merchants undoubtedly included these types among the petty men (*xiaoren*) who made their life miserable, and the humiliation stemming from an unfortunate encounter with these underlings, one author wrote, would be difficult to wash away. *Essentials for Travelers* strongly advises the traveling merchant who might arrive in a town when a case of adultery was discovered or a thief caught not to let his curiosity get the best of him and join the crowd of onlookers at the *yamen*. The magistrate, suspecting the criminal had an accomplice, might close the doors of the *yamen* and start arresting people. To save himself, the suspect, unable to bear the pain of torture, might even randomly point to the hapless merchant standing in the crowd as his accomplice. The author indicates that

even if justice prevailed in the end, the merchant would nevertheless have received quite a fright. The unswerving devotion to business was obviously important here. Idle curiosity, in a minimally regulated economy, could very well prove to be a merchant's undoing. *Essentials for Travelers* also urges the merchant not to become involved in a trial as a character witness without first considering it and familiarizing himself with the case. If he does not, he might soon find himself entangled in the proceedings. The mid-level merchant's low social standing and lack of powerful connections would have made this advice quite reasonable.

The author of *Essential Pawnbroking* does not explicitly discuss the government with his readers. His warnings to apprentices and clerks not to involve the shop owner in an expensive court case over some petty matter, however, indicates that the pawnshop owners occasionally initiated court cases to settle issues deemed sufficiently important. The author's statement that court cases cause endless damage also indicates a lawsuit was not the preferred option for resolving conflicts. The manual informs the apprentice that he can pass his secret virtue to his descendants if he does not involve officials (*guan*) in the handling of obstreperous customers. However, it was correct to call in the local constable (*dibao*) to warn customers who tried to pay for goods with copper rather than silver. When discussing payment problems, the other manual authors do not mention a constable.

The dangers described by the manual authors were real enough. Yet, although mid-level merchants may have heeded the persuasive case made by the merchant-authors to avoid government officials, litigation was commonly and successfully engaged in during the late imperial period. For example, one of the characters in *The Golden Lotus* states, "Brother, all you need to do is to make out an accusation, send it to the court, and demand the money and goods that Yang stole from you."<sup>8</sup> No doubt Qing merchants could have made an equally persuasive case for occasionally resorting to the government for help. The merchant manual authors, however, focused on the dangerous aspects of this contact and were primarily interested in teaching their readers to rely on themselves and to avoid problems.

There was another reason for the merchant-authors' concern. Members of the scholar-elite in late imperial China, in theory at least, disparaged litigation and associated it with *xiaoren* (lesser

people). Given this association, the authors were concerned with maintaining their readers' social status and reputation and thus cautioned them to avoid courts. Both tradespeople seeking to improve their worldly status or to differentiate themselves from the urban "rabble" and former Confucian scholars now engaged in mid-level commerce would have been particularly receptive to this message. Huang Liuhong, the early Qing official and author of a magistrate's manual, wrote, "The best way to persuade people to avoid litigation is to teach them to control their emotions and practice forbearance. . . . However, the ability to control one's emotions is the hallmark of a gentleman, while the practice of forbearance is not an easy achievement for the ordinary person."<sup>9</sup>

The position on government and litigation adopted by the manual authors is virtually identical to that of the Qing clan regulations studied by Hui-chen Wang Liu. The authors of these regulations warn their members to meet their tax obligations and avoid costly litigation. They tend to emphasize the dire consequences of not doing so rather than expound upon the importance of loyalty and gratitude to the emperor and government.<sup>10</sup> One clan also warns its members not to serve as a guarantor or witness. Again, despite the advice of the merchant manuals and the clan instructions, merchants and clan members did occasionally resort to the courts when they saw some advantage in doing so. Members of the elite, moreover, had extensive contacts with government officials who would certainly have provided help during times of trouble.

The "Thirty-six Virtues for the Merchant" (*Shanggu sanshiliu shan*—a section of the early Qing morality book *Tangji congshu*) enjoins the reader to respect officials and magistrates and not be disorderly or rude in their presence. They are also urged not to get involved with *yamen* business, garrison soldiers, or *yamen* runners and not to evade the payment of taxes. The author or authors of the book simply list "virtues" without attaching any reasons for following the rules. The term *shan*, however, implies that the reader who obeyed these regulations would obtain some religious merit. In an early eighteenth-century genealogy, the regulations for merchants identify illegal behavior and invariably warn young readers of the dire consequences of dealing in forbidden goods, but they do not stress morality. One regulation, for example, states, "Most of the time this kind of trick (dealing in forbidden goods) will be recognized and you will be beaten and sent to the *yamen* and invite humiliation."<sup>11</sup>

*Relations with Community and Neighborhood: Following the Middle Way*

Most urban neighborhoods in late imperial China were heterogeneous and centered around a street god or earth god. The manual authors said little about specific relations with the community other than business relations, and unfortunately we still know little about how society was organized at the neighborhood level.<sup>12</sup> Nevertheless, we can still piece together a rough portrait of community relations. Mid-level merchants generally sought to remain in harmony with their community and to avoid alienating individuals or offending community standards, and they strongly identified with other people in the “middle levels” of society.

*Essentials for Travelers* advises its readers to follow the “middle way”:

Whoever has the intention of dealing with people in society must follow the middle way. They should not give other people a hard time simply because they are more influential and powerful, should not cheat people because they are wealthy, and should not insult people because they are more capable. They should not do harm to others because of some pre-existing feud. They should not recommend people because of partiality. They should not praise others simply because they are not favored by those people.

If my power and wealth is one day exhausted and my influence and luck will not rise again, then disaster will befall me. By that time, [however], I'll be fully surrounded by my enemies. Only when you can deal with the world with modesty and be generous with your wealth [will this not happen]. [This] is a policy to protect and secure your own family.<sup>13</sup>

The manual also warns the reader not to oppress or bully other people or be arrogant to young people and strangers. One essay on charitable contributions, the sole direct reference to charity in the core manuals of this study, notes that even if the merchant donates as much as ten thousand *jīn* to charity for the construction of roads, bridges, and temples, and yet exploits people and is greedy in his everyday affairs, he will still be unable to obtain merit. The idea of merit discussed in *Essentials for Travelers* addresses the afterlife or a person's future lives—one of the few exceptions to the manual au-

thors' this-worldly philosophy. In the above quote we should note the author's sensitivity to not alienating the community and the sense of vulnerability of the merchant. Considering the intense competition and high rate of business failure, this advice made a lot of sense.

*Essential Pawnbroking* likewise urges its pawnshop apprentice-readers to treat people amiably and to be gentle and humble in speech. In so doing, the resentments and suspicions that others might harbor will dissolve. The manual also advises the reader not to do to others what he does not desire for himself.

Thus, the local merchant is urged to be amiable, generous, and fair—in short, a good member of the community—not because of some abstract concept of goodness but because such behavior is in his own self-interest. The case of religious merit is an exception. The author of *Essential Business* urges the reader to behave in the same humble manner to all his neighbors, whether rich or poor, and to be at peace with everyone. One could never know, after all, when the help of others might be needed. The author quotes the common proverb, "Distant relatives are not as good as nearby neighbors."<sup>14</sup> Pragmatism underlies relations with both government and community.

These attitudes formed part of the foundation of a middle-level ethic based upon enlightened self-interest. In fact, the 1854 edition of *Essential Business* acknowledges that people of the middle level of society are generally the most pleasant to deal with: "As for people of the middle level, say a few nice words and they will be content. They delight in engaging in affairs and are not like those wealthy people who want you to be cringing and servile."<sup>15</sup> A tradesman in the late Ming novel *The Golden Lotus* similarly notes that "wealthy people are always bad-tempered," and a character in one of the *Sanyan* stories describes someone as being sincere and generous despite being wealthy.<sup>16</sup> The people of this middle level in late imperial times, as Paul Ropp suggests, made a clear distinction between themselves and wealthy people. It is also evident that mid-level merchants differentiated themselves from the "lower orders." Indeed, the influential scholar Chen Longzheng (1585–1645), in lectures meant to reach the subordinate classes, confirms this notion of a middle level by describing society as consisting of the wealthy, the middle, and the poor and by using the term *zhongren* to refer to those in the middle.<sup>17</sup> Although there is not a lot of evidence to prove

the existence of this middle level mentality or ethos, the examples cited above, in addition to the research of Ropp, Evelyn Rawski, and David Johnson, persuasively argue that it did exist.<sup>18</sup>

The compatibility of this nascent middle-level ethos with Confucianism must nevertheless be acknowledged. The ideas of the middle way and of treating others as you would yourself are both important concepts in Confucianism and were well known to the general populace and the scholar-officials during the late imperial period.<sup>19</sup> *The Doctrine of the Mean (Zhongyang)*, one of the core texts of Neo-Confucian learning, celebrates “to be the first to treat friends as I would expect them to treat me.”<sup>20</sup> That these ideas of fair treatment and the middle way were used in a manner not intended by the Confucian philosophers does not lessen the significance of their origin but again demonstrates how these notions were adapted to commercial life.

Some Qing clan regulations also urged upon their members a deferential attitude toward community and neighborhood. Mutual help and the absence of friction were both esteemed. Many of the rules included the common proverb about the value of nearby neighbors. The regulations as a whole are not as frank as the merchant manuals in justifying such deference, although one does warn members to think about the practical consequences of a reversal of the family fortunes.<sup>21</sup> Nevertheless, neither the clan regulations nor the manuals echo the call of the Song Confucian philosophers to promote community solidarity in an active manner.

The author of the “Thirty-six Virtues for the Merchant” esteems a peaceful relationship with neighbors and a respectful and courteous attitude toward other members of society, yet he also lists some class-specific “virtues” that were not discussed in the merchant manuals. The merchant is urged to respect those who study, to be kind to poor scholars, and not to attempt to establish ties with the nobility. Repairing bridges and providing money for funerals and marriages are valued as acts of charity by the author and were probably meant to bolster the merchant’s position in the community.

### *Relations with Individuals in Personal Life and Business*

Arthur H. Smith claimed that Chinese during the Qing brought “nonfamilial relationships within the general framework of family or friendship obligations. To achieve this necessitated the use of inter-



mediaries, or middlemen, in all aspects of political and social life—not only to preserve face but also to prevent confusion and disorder (*luan*).”<sup>22</sup> Indeed, the numerous essays devoted to human relations in the merchant handbooks parallels the Confucian human-centered view of the world and suggests that the authors regarded learning how to interact skillfully with others to be an essential part of a businessman’s education. Indeed, the education of the merchant stressed both the importance of reciprocity and the ability to assess another person’s character quickly. Bringing nonfamilial relationships within the familial or personal framework helped to mitigate the turmoil caused by a minimally regulated economy pressured by nineteenth-century population growth, governmental breakdown, and social disorder.

Personal relations were important in both Confucian theory and actual social interaction. In Confucian theory, the individual acts as an autonomous being with considerable freedom to create relationships with people outside the immediate family. Sociologists refer to these relations as *guanxi*, sometimes translated as “personal ties” or “personal networks.”<sup>23</sup> *Guanxi* is constructed and “pulled” (*la*) when something needs to be done and yet no prior relationship exists, often between individuals not on the same social plane. Once *guanxi* is established, the cultivating of *renqing* (human feelings or human obligations) makes it meaningful. The longer the relationship, the better the *renqing*, and the more effective the interaction. *Guanxi* was not to be taken lightly: “Once one is inside the *renqing-wang* or *guanxiwang*, he is locked into an intricate relationship of interdependence with others. He is, in this case, socially obliged to respond to any request for help from others.”<sup>24</sup>

### *Relations with Friends*

One of the opening lines in *The Analects* has Confucius saying, “Is it not delightful having friends coming from afar?” The classical Confucian philosophers adopted a positive and optimistic view of friendship, considering it one of the five cardinal relations and a source of moral cultivation. They attached equal importance to both sides of a friendship; one had to help a friend as well as be helped by him or her.<sup>25</sup>

Merchants, in contrast, generally looked at the world at large with deep suspicion and mistrust, and the manual authors are decidedly

cautious toward friendship, counseling their readers to be selective in choosing companions. This caution did not, however, make Confucian notions irrelevant. The author of *Essential Business* considers making the acquaintance of idlers and loafers and dissipating one's days in drink and idle chatter to be the gravest of dangers for the young apprentice or tradesman. Those kinds of activities, in addition to wasting his time and money, would also weaken his resolve as a tradesman. On the darker side, his debauched companions might encourage him to gamble and visit prostitutes, thus depleting funds originally meant for the business and family. Having exhausted these funds and seeking to continue his vices, he would have no alternative but to turn to a life of crime. The author quite clearly views friendship as a risky area for the apprentice, and ultimately the businessman—one in which seriousness and the subduing of selfish desires would protect them.

Friendship with disreputable types also vexed the author of *Essential Pawnbroking*. While acknowledging, albeit reluctantly, that friendship is one of the five cardinal relations and a normal part of life, he warns that relationships with people who are eccentric or weak or who make specious arguments will prove damaging to the reader. Moreover, he observes with disapproval the habits of the young men of his day who roamed in gangs, drinking, gambling, and visiting prostitutes. He fears these types might attempt to seduce the vulnerable young apprentice and infect him with their bad habits. Here the author clearly identifies with orthodox culture rather than with the sybaritic counterculture centered around the entertainment districts of towns and cities.

The merchant-author's fears are graphically borne out in *The Golden Lotus*, which in literary form brought to the merchant reader some of the same appeals contained in the manuals. The beginning of the novel provides crucial background on the main character, Ximen Qing, the well-to-do merchant protagonist and a decidedly negative example for young merchants of all trades and social standing:

His friends and acquaintances were wastrels and sponges who spent all their lives in amusing themselves at other people's expense. The chief among them was Ying Bojue, the son of a silk merchant. He had squandered the wealth his father had left him, and had sunk so low that he spent all his time waiting about the Town Hall, ready to go with anyone to the bawdy house, or to dine with the first-comer

who would pay for a meal. People nicknamed him “Beggar Ying.” He was an expert at football, backgammon, chess and all sorts of other games. There were, perhaps, ten of them in all, and, when they discovered that Ximen Qing was not only a very rich man, but ready to throw his money about, they led him on to gamble, drink and run after women. The House of Ximen had fallen upon evil days. It had given to the world an unworthy son, who chose his friends from among those destitute of every virtue. It was inevitably doomed to impoverishment.<sup>26</sup>

The author of the late Ming guidebook *Solutions for Merchants* reinforced these fears, somewhat more prosaically, when he wrote, “If you do not deal with the right people, although you make 10,000, you will eventually lose it. In dealing with friends and partners, you are not only dealing with money; the future of your family is also involved.”<sup>27</sup>

Merchants, however, were not the only segment of Qing society to differ with Confucian philosophers and approach friendship defensively. Rising prosperity and the growth of urban areas and their entertainment districts during the late imperial period meant that anyone with money could be led down the path of temptation and made it harder to follow the dictates of the classical philosophers. The eighteenth-century population explosion, furthermore, increased the “floating” population in the empire’s cities and towns. Judith Berling offers this synopsis from a popular novel of the day: “In this urban setting young wastrels dissipate family fortunes in whoring and gambling; sycophants sponge off the rich; phoney literati while away their days in poetry while all goes to ruin about them: con artists, hustlers, and pettifoggers ply their trade.”<sup>28</sup>

During the late imperial period, more and more members of the elite moved to these urban areas. Not surprisingly, some Qing clan regulations expressed reservations about friendship, warning clan members to be careful in the choice of companions. These descent groups had to protect their members from the consequences of forming unhealthy friendships just as the merchant-authors had to protect their apprentice readers. At stake was the future of the family and business. Both mid-level merchants and members of the elite, despite differences in social position, had to adapt earlier morality to the same changed social circumstances.

The manual authors did not abandon Confucian notions when

advising their readers on friendship, instead they chose and adapted useful elements from the tradition. The author of *Essential Business*, for example, does not hesitate to call upon the Confucian concept of hierarchy to help protect the merchant from disreputable people. If the reader mixes with low-class characters, he warns, then the distinction between superior and inferior will be compromised and he will come in the end to despise himself.<sup>29</sup> Therefore, if one of these people should attempt to strike up a conversation, the reader is advised to adopt a stern and serious countenance to ward off his advances. The author observes that “morality [*daoli*] governs the gentleman, law [*fa*] controls the petty man.” The author thus invokes Confucian moral authority to protect the gentleman-tradesman from hustlers and con men who sought to lure him into traps of one kind or another.

The author of *Essential Pawnbroking*, in a similar spirit, advises his readers to give wide berth to bad characters in order to maintain their own respect and reputation. The gentleman, he claims, does not associate with the petty man. The apprentice had to be cautious, however, not to antagonize these types and draw their ire.

Nevertheless, *Essential Business* differs from those classical Confucian philosophers who would have insisted that the individual be active and aggressive in reforming a bad person while also being self-protective.<sup>30</sup> The authors of *Essential Pawnbroking* and some clan regulations held a similar view; thus this pragmatic philosophy of watching out for oneself and one’s family cuts across status lines and was not just a special characteristic of the nonelite merchant community. Everyone had to adjust.

The author of *Essential Business*, however, endorses another Confucian aspect of friendship in his advice to make friends only with those better than oneself. By “better,” he seems to mean those with a higher degree of self-cultivation who could loosely be considered gentlemen. Confucianism looked upon the moral development of each person as an important element in a friendship.<sup>31</sup> Each person was to urge the other to tread the path of virtue.

The author of *Essentials for Travelers*, perhaps paraphrasing from *The Doctrine of the Mean*, suggests to the reader that he protect himself by making friends only with those who treat others as they would themselves.<sup>32</sup> His advice to his readers not to behave rudely or joke when in the company of friends also reflects the Confucian emphasis on respecting friends and establishing a sense of reserve. Finally, he

considers dependability an important aspect of friendship and notes that false friends tend to disappear when their help is really needed. Indeed, a good number of the characters in the *Sanyan* stories lament how their financial fortunes often determined the way friends and relatives treated them.

The manuals, instead of emphasizing both sides of a friendship as did the classical Confucian philosophers, stressed above all what the friend could do for the reader and did not demonstrate undue concern about what the reader could do for the friend. The author of *Essential Pawnbroking* details the types of friendship the reader should make efforts to cultivate. He cites approvingly the quote from *The Analects*, "If there are three people present, one must be my teacher."<sup>33</sup> The essence of the author's message is that the reader should seek friends among moral people who can benefit him and avoid those who might bring him harm. The reader is advised that friends who are honest and straightforward (*zhi*), faithful and sincere (*liang*), and learned (*duo wen*) will be beneficial to him. In the shop, he is encouraged to make friends with apprentices who are diligent, careful, and who practice goodness, and to imitate their exemplary behavior while correcting their mistakes. A good friend, in turn, will criticize his weak points, help develop his strong points, and reliably assist him in times of trouble. To attract friends, he should treat people amiably. This approach to friendship is also found in *Solutions for Merchants*: "If you associate with people of high character [or social status], you will also become high. If you deal with people of low character [or social status], you will become low."<sup>34</sup> The Qing clan regulations studied by Hui-chen Wang Liu emphasize friends with virtue and integrity, but they also value friends with talent, learning, and superior knowledge.<sup>35</sup>

The practical demands of business also colored a merchant's outlook on relationships and illustrate the direct effect of commercialization on social values. Friendship, for the most part, was not to interfere with normal business practices. *Essential Business* advises that should a friend deposit silver with the reader, it should be checked as thoroughly as that of a stranger. The merchant, moreover, should not confide his business secrets to even his best friends for fear that his relationships with them might someday sour.

The merchant-authors understood that friendship could not be totally neglected. Although the author of *Essential Business* urges the tradesman not to be swayed by pity when conducting business, he

nevertheless advises him to help friends in need. Friendship, after all, was a matter of human feeling and not subject to the formal rules of doing business. The author of *Essentials for Travelers*, however, dissents from this view. He notes with some annoyance that when friends or relatives ask to borrow money it is difficult to refuse them.

The author of *Essential Pawnbroking* did not let friendship interfere with business. While noting the importance of *qing* (feelings) and urging the apprentice-reader to help friends who faced an emergency or suffered hardship, he adamantly opposes according friends special treatment at the pawnshop. In determining the worth of an item pawned by a friend, the apprentice is advised not to let personal feelings influence his assessment.

This view of friendship was not limited to people in the business world. The regulations of one clan also warns its members not to divulge secrets to friends for fear the relationships might change and someone might use the knowledge to harm either the clan member or the entire clan.<sup>36</sup>

Finally, the author of *Essentials for Travelers* describes how friendship may hold commercial advantages. Amiable ties can prove useful to the merchant when entering a place where he is unfamiliar with local market conditions and needs the assistance of a “capable and moral” friend. The establishment of networks of business acquaintances, if not friends, is valuable in collecting information on market conditions. The reader is further instructed to rely upon the recommendations of old friends when hiring employees. The master of the shop was even encouraged to become friends with his clerks to foster better working relations. Although this conception of friendship was certainly pragmatic, it nevertheless closely resembled the use of friendship by scholar-officials through the centuries. Once scholars finally became officials, for example, they often relied upon ties with “classmates” (people who received their degrees in the same year) to facilitate governmental business. This concept of reciprocal obligations, although by no means limited to Confucianism, forms an important part of Confucian doctrine.<sup>37</sup>

### *Relations with Women*

It is difficult to determine the role women played in the late imperial commercial world, and the merchant manual authors completely ignored women in business. Justus Doolittle, however, notes that in

the mid-nineteenth century large numbers of women were employed as go-betweens in transactions concerning the sale of female slaves, the hiring of nurses in wealthy families, and in contracting marriages.<sup>38</sup> Widows under sixty or unmarried girls would also engage in commerce in Ming and Qing China.<sup>39</sup> Wives worked with their shopkeeper husbands.

The Qing manual authors, nevertheless, discussed women exclusively in terms of the trouble they might cause a merchant or shopkeeper in his business life. Their desire to protect their merchant-reader's reputation in a minimally regulated economy led them to reinforce key traditional values.<sup>40</sup> According to *Essentials for Travelers*, the best place for a woman of a good family was in the home. Outside she would only confuse and dazzle men. In discussing New Year's celebrations, Wu Zhongfu condemns gambling partially because it brought men and women together in violation of the distinction between inner and outer. The generally lax atmosphere during the New Year's festival encouraged men to glance lustfully at women and to hatch schemes to seduce them. This scenario accords with the classic Confucian view of women, reaffirmed and greatly strengthened by Song Neo-Confucianism, which discouraged them from leaving the home and mixing with men in public. The author, in fact, may have lifted the essay on New Year's directly from a Confucian text. Qing dynasty family instructions, moreover, considered keeping the women of the family sequestered as the cornerstone of family morality.<sup>41</sup>

Even in the home, however, a woman might bring trouble to the tradesman. He is advised to watch out for flattering advances made by his wife or daughter in pursuit of money. The author reminds him that if he frivolously allows his wife and daughter to spend all of his money, he will be unable to go to them for any sort of loan or financial support. The family instructions likewise warn of women gaining undue influence over male family members: "Decide alone and act alone; not only do not consult wives, don't listen to them. He who is not strongminded will not be able to heed my words."<sup>42</sup>

If the merchant or shopkeeper was to meet a woman in the course of his daily affairs, *Essentials for Travelers* enjoins him to keep his carnal desires strictly under control. Unscrupulous businessmen had been known to use women to entice and confuse their business associates. If the reader allowed his carnal desires to dominate and he fell into their trap, he might lose all his capital and suffer bank-

ruptcy. At best, if he belonged to a wealthier family, he might be rescued by a father or brother. At worst, if he belonged to a poor family, he might end up a vagabond, wandering alone across a strange land. (No mention was made of seeking help from the authorities or a guild.) The importance the authors attached to the connection between controlling “selfish” desires and achieving business success is evident here.

An early eighteenth-century family instruction, in the section for merchants, tells the story of an official who has one bowl of wine too many during a visit to a brothel. While in a drunken stupor, a woman steals his seal of office and then blackmails him for three hundred (presumably taels) of silver. He eventually loses his position and runs into trouble with the law. The author warns that a merchant may not only lose his money but also meet an even worse fate.<sup>43</sup>

The shopkeeper or clerk also had to learn to control his behavior when a female customer entered his store. Instead of hidden ruses, however, he had to worry about the moral condemnation of the general public. A shop’s reputation was paramount in an economy that lacked any institution to protect the consumer and in a society that placed great emphasis on proper moral conduct. Any display of intimacy with women, even one’s own wife, was considered immoral. Even the most innocent contact between men and women could lead to malicious gossip. If because of his jokes and horseplay a woman raised a hue and cry and attracted the attention of passersby, the shopkeeper would lose face (*diulian*) and the reputation of his shop could suffer irreparable harm. Shopkeepers in one Shandong town were so cautious that they forbid young women to enter their stores.<sup>44</sup>

The more the shopkeeper acted the proper Confucian gentleman, the better he could preserve the reputation of his shop. The author of *Essential Business*, therefore, counsels his reader to behave in the following manner when a female customer enters the store: “Maintain a stern countenance and speak clearly about the price. If you ought to sell, then sell. If you should not sell, then tell her not to buy. Do not cheapen and debase yourself.”<sup>45</sup> The author then paraphrases from Mencius: “When men and women pass things to each other they do not touch each other.”<sup>46</sup> The manual authors again invoke the moral authority of the Confucian gentleman to protect



the tradesman from the harm that might come to his business fortunes. *Essential Pawnbroking* similarly advises its apprentice-readers to be on their best behavior when dealing with female customers. In *The Golden Lotus*, a remark suggesting sexual relations between a clerk and a woman embarrasses the customers, confirming that sexual propriety was not an idle concern of the manual authors.<sup>47</sup>

The common saying, "The prostitute is the traveler's wife," and the proverb quoted in *The Golden Lotus*, "Money, girls, and wine-houses are three things which no man can resist," indicate the frequency with which traveling merchants sought out prostitutes.<sup>48</sup> To visit a prostitute was considered only a minor vice in late imperial China, and brothels may have been used by merchants to transact business.<sup>49</sup> The manual authors, however, condemn this practice, not for abstract moral reasons, but for practical ones. A businessman who dissipates his nights drinking and visiting prostitutes will be unable to work efficiently the next day and will eventually destroy his business. He also wastes the hard-earned money that should properly go toward the support of his wife and children. Such a man is described in a passage from *The Golden Lotus*: "A gentlemen called Ding Shuangqiao, the son of a silk merchant of Hangzhou . . . had come with a thousand taels worth of silk to sell, and was living at an inn. He defrauded his father and went to play in the bawdy house. He paid ten taels of silver and two dresses of heavy Hangzhou silk, and spent two nights with Cassia."<sup>50</sup> Moreover, the reader who dallies with prostitutes might catch a venereal disease that will not only destroy his own body but also spread to his wife and children. Qing clan regulations also warn that visiting prostitutes is wasteful and unhealthy. Finally, one merchant manual author ends a discussion on the wages of visiting prostitutes by noting that a merchant who spends his time fooling around with singing girls or other men's wives could not be sure of his own wife's actions back home.

This last warning formed a central theme in the late Ming novel *The Prayer Mat of the Flesh* by Li Yu and may also be found in the late Ming story *The Pearl-Sewn Shirt* (from the *Sanyan* collection), in the mid-nineteenth-century morality book *Meritorious Deeds at No Cost* (*Buifeiqian gongde hu*) in the form of an admonitory tale, and in Qing dynasty family instructions, indicating the widespread nature of this pragmatic morality. Some morality book authors, however, approached the question of prostitutes from a completely different

angle. Condemning prostitution as vociferously as did the merchant authors, writers well into the late Qing still described the tortures of hell to dissuade their readers from indulging in this vice.

### *Relations with Employees*

Roy Hofheinz Jr. attributes harmonious labor relations in contemporary East Asia to “Confucian benevolence.”<sup>51</sup> Indeed, merchants in the late imperial period attempted to soften the harshness of employer-employee relations through generosity and loyalty, values rooted in a kind of Confucian pragmatism.<sup>52</sup> For the author of *Essential Business*, ideal relations between a storekeeper and his clerks go beyond the needs of business and at their best come to resemble those between friends. Creating this bond, of course, meant the nurturing of *renqing* between the shop owner or head clerk above and the body of clerks and apprentices below. He hopes that the employee will develop a sense of loyalty to his master like that of a minister to his ruler: “If I proceed from loyalty and serve him with loyalty, [and] if he does not treat me badly, I will abandon darkness and enter into the light. Furthermore, it is said, ‘the wise minister selects a master [good ruler] and a good bird selects a good perch.’”<sup>53</sup> In Mao Dun’s “The Shop of the Lin Family” this relationship is exemplified in the relationship between Mr. Lin and his head clerk, Shousheng, who is completely trusted by his employer and who returns that trust with complete loyalty.

In fact, the employer-employee relationship of late imperial China resembled the master-servant relationship based on fictive kinship ties and grounded in the Cheng-Zhu school of Neo-Confucianism.<sup>54</sup> *Essential Pawnbroking* describes the relationship between a store owner and his employees in terms of mutual dependence. An owner might have the financial power, but without the labor power of the clerks his business could not succeed. The clerks might have the labor power, but without the financial power of the owner, they would find it difficult to survive. The two sides had to work together to make the business successful.

The ideal servant in late imperial China was loyal, trustworthy, and dutiful.<sup>55</sup> When looking to hire a clerk, Wu Zhongfu, in a passage in the second volume of his compilation, *The Merchant’s Guide*, advises his reader to seek out mature, honest, and faithful people who are both capable and virtuous (*caide jianbei*). Although the mer-

chant would have to pay this kind of person a higher salary, in the long run his services would benefit the store and therefore justify the extra expenditure. Again, long-term benefit is stressed over short-term gain. *Essential Pawnbroking* advises its readers (who probably owned bigger stores than the readers of the other manuals) to hire as head clerks (*zhishizhe*) people who were sincere, stable, and had nothing to hide. For another position of responsibility in the pawnshop, the *silou*, or head clerk, he recommends hiring someone who was sincere, experienced, and insightful. The manual considers this position especially important as the person who filled it presided over the education of the apprentices. Finding employees both capable and virtuous must have been difficult. A wealthy Beijing merchant solved this problem by hiring two managers for his stores, one loyal and one capable, each of whom would presumably oversee the work of the other.<sup>56</sup>

Enlightened heads of families or senior members of lineages were guided by benevolence, forbearance, a conciliatory attitude, tolerance, and patience in their relationships with servants.<sup>57</sup> Similarly, a shop owner or head clerk is advised to handle a new clerk with an attitude of compromise, accommodation, reason, and trust. The author of *Essential Business* quotes a saying, "If you use someone, you do not doubt him."<sup>58</sup> The author of *Solutions for Merchants*, elaborating upon this theme, points out that overly strict supervision can be counterproductive: "If I supervise and regulate [the clerk], he certainly will not feel free. Resentment and anger will arise. His determination will slacken, and not only will he be unwilling to exert himself, he will also indulge his private desires and rejoice in my losses."<sup>59</sup> Typically, the author urges his reader to think of the problem at hand from a broader perspective.

The head clerk especially is warned not to behave superciliously and arrogantly order the lower clerks to perform tasks for him. Not only will he fail to win them over in this way, but they will actually mock and curse him. Instead he is advised to sympathize with these employees because of the many tasks they are responsible for and to help them whenever he can. To maintain good relationships with all his employees, the shop owner is advised to take meals with his clerks and not to favor the head clerks over the others. (In *The Golden Lotus* the wealthy merchant eats and socializes with his clerks.) If a clerk makes a mistake, the *Essential Business* manual advises the merchant never to embarrass him by reprimanding him

in front of others. Instead, the merchant should wait until evening to take the clerk aside and, in an easy manner, reasonably and politely explain what he has done wrong. Nyok-Ching Tsur informs us that masters in turn-of-the-century Ningbo would wait until evening to speak to an apprentice about a mistake made during the day.<sup>60</sup>

Although the authors do not mention suicide, everyone reading these manuals knew the consequences of pushing an apprentice or clerk beyond reason:

If a master offends a servant or makes him “lose face,” or a shop-keeper his assistant or apprentice, the surest revenge is to die on his premises, for it not only involves the power of haunting and of inflicting daily injuries, but renders it necessary that the body should lie where death occurs until an official inquiry is made, which brings into the house the scandal and turmoil of a visit from a mandarin with a body of officials and retainers.<sup>61</sup>

This danger indicates one of the “weapons of the weak” in Chinese society and would have certainly enforced the authors’ message of treating employees with generosity. A visit from the magistrate could very well lead to a physical beating and a monetary fine. Some magistrates, however, were aware that not all of these people were necessarily driven to suicide:

But there are those who sacrifice their lives because of insignificant grudges and choose to die in the home of their enemies, their main purpose being to vent their spleen and let their relatives seize the enemies’ property on trumped-up charges. Such acts of depravity cannot be condoned. . . . If the suicide is committed without provocation or valid reason, the magistrate should order the relatives to have the corpse buried and no innocent people should be implicated in the case.<sup>62</sup>

Still one could never be sure that all magistrates would be careful and discerning, and it was of course best to avoid this tragic scenario altogether.

Loyalty to the shop and the owner, it should be noted, at least for the head clerk, did not imply slavishness. The author of *Essential Business* enjoins the clerk to admonish the owner if he finds him

making a mistake rather than allowing him to make this mistake again and again.

*Essential Pawnbroking* considers all matters in the shop, no matter how big or small, the responsibility of the head clerk. If other employees in the shop make errors, he should be the one held responsible. It was his responsibility to establish strict and fair rules that everyone, despite differences in temperament, could follow. The *silou* is advised to be balanced and stable and not to let his emotions interfere with his actions. According to Wellington Chan, head clerks in Republican-era Beijing were given "complete authority" over a business and hired and supervised personnel.<sup>63</sup>

The author of *Essentials for Tradesmen* believed that the proper assignment of tasks within the store was critical to its success. This division of labor is illustrated in *The Golden Lotus*: "Chen Jingji, [the store owner's] son-in-law, kept all the keys and went out to collect the debts. Ben IV kept the accounts and weighed the stock. Fu managed the medicine-shop and the pawn-shop, assayed the silver, and looked after the business generally."<sup>64</sup> An employee's salary, moreover, was determined by the kind of work he did. An employee particularly loyal to the store or especially courageous on a business trip was to receive rewards in addition to his salary.

Like the author of *Essential Pawnbroking*, the author of *Essential Business* realized that employees could not work effectively with a distracted mind (again the importance of total devotion to duty), and therefore enjoins his reader to put his employees at ease. If the employee had any family problems, the employer had to try to help him solve them. The master of the shop would have learned the importance of peace of mind during his own early training. This attention paid to the psychological state of the employee predates the contemporary awareness of employee stress by several centuries and seems similar to Hofheinz's notion of Confucian benevolence.

The employer also had to be aware of the clerk's family circumstances; if the clerk came from a poor family, his salary was crucial and the shop owner therefore had to be generous and pay him promptly. The silver (salary) was to be rounded off so that he could send it home easily and was never to be of inferior quality. If a clerk ever needed a little extra money, the employer was to loan it to him quickly. During festivals, the author advises the shop owner to do what was demanded by the occasion and not be frugal. For example,

the wealthy merchant character in *The Golden Lotus* contributes “half a pig, half a sheep, a jar of wine, a sock of rice and and a tael of silver” to his employees.<sup>65</sup> At an earlier point in the novel, his wife had sent some wine to the clerk, remarking, “They have worked very hard and it is only right that they should have a cup of wine.”<sup>66</sup>

The author of *Essential Pawnbroking* notes that the clerk’s entire family, from children to elders, depends on him. If the clerk is anxious about the welfare of his family, his spirits at work will be low. The author urges the owners of pawnshops to follow the middle way and treat their employees generously. Heaven would then reward them by protecting them, granting good fortune (*fu*) to their descendants, and seeing to it that the business remained in family hands for several generations. The author implies that the owner, while not expecting to be flattered, could expect to obtain diligent service from his employees in return.

Despite these ideal prescriptions, the author of *Essentials for Travelers* nevertheless also prepares his reader to deal with dishonest employees. He notes that some clerks may try to cover up their mistakes by doctoring the account books so that their masters will continue to trust them. Other clerks, he warns, might even go to the lengths of buying high and selling low to conceal a mistake or to bring some benefit to themselves. These employees also might occasionally act in the name of their master for their own private benefit. The gentleman, the author advises, had to watch for these kinds of people.

Overall, the authors of *Essential Business* and *Essential Pawnbroking* shared similar views on the treatment of employees. They advocated benevolence and generosity on the part of shop owners to encourage clerks to work productively and to behave in a loyal, trustworthy, and honest manner. Although the authors’ intent was not meant to be calculating, their conclusions do reveal their pragmatism. Placing their faith in the Confucian-inspired middle way seems not to have been an irrational attempt to cling to the precommercial past but a vital and rational effort to further the economic interests of their readers.

In the main, the manual authors’ advice to merchants on handling clerks closely resembles that of the morality book authors’ advice to landlords and masters on dealing with tenants and servants, which leads to an interesting question. Had clerks challenged

status assumptions in the same way that tenants had? While landlords may have lacked prospective tenants, merchants certainly did not lack prospective clerks as people were constantly looking for work in towns and cities. Thus while some morality books emphasized the dependence of the landlord on the tenant, the merchant manuals still emphasized the mutual benefit that both merchant and clerk would derive.<sup>67</sup> Still, clerks had to be trusted and there in lay their power. The bankruptcy of a shop in the 1880s caused by dishonest employees highlights the importance of these relations to the vulnerable mid-level shopowner.<sup>68</sup> A disgruntled employee could make the difference between success and failure.

## 5 PERSONAL RELATIONS IN THE MARKETPLACE



Sybille van der Sprenkel wrote of commerce in late imperial China, “Probably few commercial transactions of any consequence in traditional China were either impersonal or casual. At their heart, as a necessary condition, was the prior establishment of a personal relationship.”<sup>1</sup> In a minimally regulated economic environment containing few regulatory agencies, the mid-level merchant relied upon trust and personal relations to protect himself and to conduct business successfully. To this end, networks of personal bonds were constructed that were based on Confucian ideals employed toward pragmatic goals.

### *Dealing with Brokers*

Merchants doing business away from home were forced to rely on brokers who were knowledgeable of local market conditions and capable of bringing together buyers and sellers. The author of one merchant manual describes brokers as those who know the conditions of the market, control the normal customers, and have organized the market institutions.<sup>2</sup> The brokers received a commission on transactions (5 percent during the Qing) and so had a vested interest in seeing deals consummated.<sup>3</sup>

These middlemen, however, often took advantage of the buyers’ and sellers’ ignorance. In one of the few attempts to regulate the market and provide Chinese merchants with some sense of security, the Song government began licensing brokers, a practice continued by the Ming and Qing governments. Brokers were usually wealthy merchants, who paid the government a small fee for the license.<sup>4</sup> A government license theoretically represented honesty and integrity and would have presumably attracted both buyer and seller, but the



merchant manual authors placed little faith in these government licenses. The mere existence of one did not guarantee honesty. Moreover, brokers often operated without government licenses, despite severe penalties, colluded with local officials hearing lawsuits brought by aggrieved merchants, and dominated trade guilds to the merchants' detriment.<sup>5</sup> Government efforts notwithstanding, instances of brokers exploiting merchants were legion during the Qing.<sup>6</sup> Given these problems, the manual authors viewed establishing personal relations (*guanxi*) with specific brokers as more effective than simply finding and trusting those endorsed by the government. Once these personal relations had stood the test of time, the merchant could then depend on the broker to a reasonable degree. This strategy stems from the merchant-authors' overall attitude toward the government.

In an essay in the middle of his manual, the author of *Essentials for Travelers* freely acknowledges the importance of brokers (*jingjiren* and *yaren* are used interchangeably) in the commercial economy. They prevented cheating and kept low-quality or counterfeit goods and silver out of the market. He nevertheless fully recognizes that brokers often behaved in ways damaging to other merchants. Qing law cases involving merchants murdering brokers and brokers murdering merchants indicate how severe conflicts with brokers could become.<sup>7</sup> He discusses, although not systematically, the proper behavior of brokers, the deviations from this behavior, and the ways in which mid-level merchants could protect themselves from these deviations.

The merchant-author of *Essentials for Travelers* obviously intended these essays for a varied readership. The broker is often referred to as the host (*zhu* or *zhujia*) and the person doing business with him, somewhat ambiguously, as the guest (*ke*), which can refer to either a traveling merchant or a shopkeeper. For the young merchant or for older people starting a business who had not yet established a network of commercial relations, several essays address the problem of selecting a broker for the first time. The author discusses all the problems the merchant might encounter in doing business and in establishing a network. He also addresses situations in which even the experienced merchant has to seek a broker—who would have facilitated the expansion of the merchant's networks and thus his business. Other essays in this manual were written specifically for the broker.

The manual devoted much space to the proper business behavior for both brokers and merchants. When a traveling merchant arrives in a town, where he has not yet established relations with a broker, the author advises him to choose one who comes from a good family, owns property, and has a reputation for decency. These qualities provide greater protection than a government license. A broker with a small firm is not to be overlooked if he handles a lot of clients and goods; his overhead is probably low and thus he does not need to pad his fees. (The author assumes that the merchant does not know anyone else in town, otherwise he would have called upon that person to steer him toward a reliable broker.)

Once the merchant has arrived at the home of a broker, he should expect to be welcomed, treated with reverence, and provided with food, drink, and gifts. The author considers this treatment a part of the normal relations between broker and merchant and essential for the continuation of the association. According to a Ming dynasty author, "When they [merchants] first arrive, the broker host is lavish with his entertainment. Killing a goose and holding a banquet, inviting prostitutes, and staging operas are all taken as the norm."<sup>8</sup> The broker extends his generosity with the expectation that his relationship with the merchant or tradesman will be nourished and perpetuated. In addition, the merchant-author's use of the intimate terms "host" for the broker and "guest" for his client hints that their relationship went beyond the requirements for commercial exchange. Once the merchant is familiar with a town, the author suggests that he do business only with one broker or store owner rather than scurry about town searching for the broker with the lowest fees. *Solutions for Merchants* similarly advises its reader not to change brokers constantly but to establish a relationship with one individual, implying that trustworthy brokers were difficult to find.<sup>9</sup> This advice is consistent with the manual authors' general dislike of the penny wise, pound foolish way of doing business and the importance they attached to *guanxi*.<sup>10</sup>

Once negotiations between the two parties begin, a good broker does not try to force the merchant to entrust his goods to him and should be generous in accepting the price for the goods submitted by the merchant. The author of *Solutions for Merchants* notes that the righteous broker does not haggle over the price of goods but simply accepts what the merchant is able to pay.<sup>11</sup> The author of *Essentials for Travelers* expresses more concern with the proper behavior of the

merchant during negotiations. He advises him to facilitate the broker's planning by providing him with an honest assessment of his goods and by not hiding any known defects. The merchant is to be flexible about price and willing to give the broker the goods on credit if need be; a good guest does not wrangle. A failed deal signifies a greater loss than the few coppers the merchant wanted to dispute. The merchant is also advised to be careful in his speech during negotiations and not to show his feelings. In a scene from one of the *Sanyan* stories, contrary to the advice of the merchant manual authors, a broker and merchant haggle quite a while before finally settling on a price both can accept; however, the latter, ostensibly a cloth merchant from Nanchang, Jiangxi, is actually an investigating official in disguise, and therefore his behavior may not represent actual merchant practice.<sup>12</sup>

Further examples of broker-merchant negotiations are found in another *Sanyan* story. Three or four merchants who want to buy silk assemble at a broker's establishment. Weavers bring their three or four bolts of silk and have it appraised and valued by the broker in front of the merchants. The broker then appears to designate a merchant to buy the silk of a particular weaver. The merchant pays the weaver directly, presumably paying a fee to the broker as well.<sup>13</sup> The merchant manuals do not mention the presence of the silk producers at these negotiations.

Once a deal has been consummated, *Essentials for Travelers* urges both sides to make sure that the terms of the agreement are clear, so that no confusion or disagreement arises when money needs to change hands. Furthermore, they are never to ignore ambiguities when negotiating simply to conclude a deal quickly. The merchant, likewise, should not attempt to change terms already settled upon in the hope of getting a better deal. Nor should he investigate whether or not the broker was adhering to those terms. If the broker was decent, came from a good family, and had property, then the merchant need not be anxious about him. A good relationship with his broker no doubt put the merchant's mind at ease.

*Essentials for Travelers* implies that a merchant who conducts business according to the manual's guidelines is following the way of the gentleman (*junzi*).<sup>14</sup> A relationship characterized by trust, sincerity, and generosity reflects the gentlemanly path. The author of *Solutions for Merchants* wrote of the relationship between broker and merchant: "After a long period of interaction, feelings become more and more

sincere [*du*]. [This is the way] of the gentleman [*junzi*]. To be kind in the morning and cruel and full of animosity in the evening, [this is the way] of the petty man [*xiaoren*].”<sup>15</sup> This earlier Ming dynasty use of the term “gentleman” (*junzi*) certainly influenced humbler merchants and in turn the Qing dynasty merchant-authors.

The relationships of merchants with brokers from official families (*guanjia jingji*) or exceptionally powerful business people resembled the classic application of *ganqing*.<sup>16</sup> *Renqing*, in this case, served to mitigate tension between social superiors and inferiors. *Essentials for Travelers* recognizes the difficulties of trying to strong-arm superiors and advises its readers that it is better to develop a good relationship with them: “Talk to them sincerely, treat them with propriety, and not do throw out words carelessly. Then they will naturally be fair to you.”<sup>17</sup>

The manuals also prepared merchants to deal with a broker’s aberrant behavior. Qing dynasty brokers competed fiercely among themselves and frequently offered the merchant seemingly attractive deals and discounts.<sup>18</sup> Although the broker’s offer of food, drink, gifts, and hospitality helped foster good relations between himself and a client, *Essentials for Travelers* warns the merchant or tradesman about being manipulated by an oversolicitous broker. For example, if a broker, immediately upon a merchant’s arrival in a port, takes the trouble to row out to his boat to meet him, the merchant is advised to avoid doing business with this middleman. He only resorts to this behavior, after all, because he is desperate for clients and fears the merchant will bring his business elsewhere. The good broker, on the other hand, will allow the merchant to find him on his own.<sup>19</sup>

Another problem might arise from going from broker to broker hoping to secure the best possible price for one’s goods. If the brokers were all honest, no problem would occur. A dishonest broker, however, might quote an attractive price to the merchant at the outset, but once the goods were in the broker’s hands the merchant might suddenly discover the price offered for his goods was lower than originally stated. With his bargaining leverage gone, he would be powerless to do anything but acquiesce to the undesirable price.

Merchants could also generate ill will by selling to several different brokers or shopkeepers. Although a merchant might be able to dispose of his goods more quickly in this manner, each shopkeeper would eventually come to harbor the suspicion that his profit was smaller than the others. In the end, all would bear a grudge against

the merchant, and his next trip to that town would be much more difficult.

These last two points underline the importance of forming a fixed relationship with one broker and developing good *renqing*. Even if the merchant earned a little less, the reliability of the service would prove more valuable over the long run. The disciplined merchant with a firm grasp of the long-term picture would never become ensnared by the allure of short-term gain. This eschewing of short-term profit for long-term benefit echoes a major theme of the manuals.

The mid-level merchant's powers of observation developed during his early training were put to good use in dealing with brokers. Upon arriving at a broker's home, for example, the merchant is warned to observe carefully the house, its inhabitants, and their speech. If the house and its furnishings are too lavish and the people's clothes too stylish, then he should know to stay away. He should also avoid those brokers whose clothes are ragged and whose furnishings are badly damaged. The merchant has to note the behavior of the broker as well. Someone who loudly orders his servants and gazes imperiously is probably not going to be a good broker. The manuals implicitly suggest that the merchant do business with mid-level brokers, people who dressed and behaved modestly, people like themselves.

Hospitality was a crucial part of business relations, and Abbé Huc wrote of nineteenth-century Chinese business customs, "In commercial transactions of importance there is often a stipulation that, over and above the price, there shall be a certain number of dramatic entertainments given by one or other party."<sup>20</sup> The good merchant, however, had to be on his guard if the broker overwhelmed him with hospitality that exceeded normal ceremony. *Essentials for Travelers* does not actually define normal ceremony but implies that grand banquets, opera performances, and overly polite and flattering conversation indicate that the host probably has some trick up his sleeve and seeks to draw the merchant into a trap with his effusive hospitality. Extravagant brokers were probably mired in debt or stuck with defective goods they wanted to unload on the shopkeeper. Even if the guest could make a reasonable deal, the broker would most likely include the cost of entertainment in his fees. The inexperienced merchant who succumbed to this ploy would thus be literally eating his own profits. *Solutions for Merchants* indicates that lavish feasts and entertainment or overwhelmingly

polite behavior probably meant that the price of the goods had risen sharply.<sup>21</sup>

*Essentials for Travelers* cautions its reader not to be disappointed or consider himself ill-treated if a broker offers only simple fare upon his arrival. Although this kind of broker cares only about money, the merchant need not fear any sort of trick. This situation, however, undoubtedly proved problematical. In late imperial China people used food and meals as indicators of social status. Holding a large banquet for a merchant, therefore, associated him with high social status, giving him face (*mianzi*). An inexperienced merchant might feel insulted by meager fare, fearing that the host believed him unworthy of a more sumptuous meal.

The guest of a broker is advised not to allow the broker to badger him into buying or selling goods. The author knew that this kind of broker cared only about his own gain; that is, he was not a gentleman. The warning here seems to have been aimed at both the traveling merchant who most likely bought and sold goods and the shopkeeper who simply bought goods from the broker. The author implies that the honest broker would attract merchants by his virtue, just as the honest shopkeeper attracted customers, and thus he had no need to chase or badger clients.

Once negotiations about the price of the goods commence, the good merchant must keep a sharp eye on the broker. If the broker responds immediately to the merchant's inquiry about the value of his goods, he is probably quoting a reasonable price. If he is slow to respond and gives a muddled answer or looks around uneasily, then the broker is probably a swindler. Even if an answer is provided promptly, the merchant or shopkeeper still has to be on his guard when purchasing goods from the broker. The author warns that brokers sometimes secretly collude and set the price of goods artificially high. As dishonesty is difficult to detect simply by studying the broker face to face, the businessman has to protect himself by staying abreast of prices and the availability of goods. Again, this caution is necessary before a personal relationship with an individual broker can be established.

The author also conjures for his reader the disastrous consequences of entrusting his goods to an apparently wealthy broker without first checking into his background. Once this kind of broker had the merchant's goods in his possession, he might not make any attempt to sell them. Instead he would leisurely negotiate with the

merchant concerning the size of his fee. The merchant, pressed by time, would be forced to accept an unfavorable fee. This kind of corrupt broker was also known to use a rigged scale to cheat the careless or inexperienced merchant.

Moreover, a broker who had incurred a serious debt might secretly make a deal with a buyer and sell him the merchant's goods at a low price.<sup>22</sup> The difference between this price and the one quoted to the merchant would be split between the two. The hapless merchant would undoubtedly be told it was the best price obtainable.

The author concludes his thoughts on brokers with an essay obviously designed to convince his merchant readers to take his advice to heart. Addressing himself to the broker, he warns him that if he should one day find a merchant sitting on his doorstep looking listlessly about, he should realize that the merchant has been cheated by another broker and does not have enough money to return home. The broker, even if pressed to do so, should not lend him any money. The merchant is only awaiting the arrival of other merchants from his hometown in the hope of persuading them to take him back with them. This hapless merchant clearly had not taken the trouble to read the author's manual.

Despite this caution, merchants in such predicaments could and did appeal to governmental authorities for help.<sup>23</sup> Avoiding the situation altogether remained the most desirable option for the traveling merchant.

A subgenre within the essays concerns a client's dealings with a broker's servants and clerks. These hirelings, almost stock figures in the *Essentials for Travelers* manual, are often plotting some scheme either at their master's behest or on their own initiative. Either way, the broker will ultimately disavow all responsibility for them. The merchant-author advises his readers to be wary of these people.

A good case in point involves the broker's clerk who invites a merchant or tradesman to bring his business to his master. The author observes that he could be doing this only because the broker is in debt and is desperate to escape from his dilemma. The merchant should under no circumstances listen to the clerk. A good merchant, after all, would take recommendations only from someone with whom he had a relationship of trust. Therefore, if the clerk was an old and honest friend of the reader, he could accept his recommendation without worry. Here again, the importance of *guanxi*

and *renqing* are implied. In addition, a merchant can use his powers of observation to figure out the situation and intention of a broker by observing his clerk or servant. A hireling who behaves too attentively, too carelessly, or too aggressively indicates that the broker who employed him has problems and that the client should avoid him.

An essay on peddlers in *Essential Business* gives us another opportunity to examine the author's view of commercial relations with inferiors. Merchants and shopkeepers at or above the intermediate market level sold goods to peddlers who in turn sold them in places lower in the marketing hierarchy. The author, somewhat out of character, encourages his reader to deal fairly and kindly with these people because they work hard to support their families and yet do not earn much money. The morality books also frequently warn the merchant to be kind to peddlers. Perhaps dealing harshly with these toiling tradesmen would have earned the shop a bad reputation.

Overall, the *Essentials for Travelers* author draws on the merchant's early education and training, not government regulation, to protect the merchant. He does not advise his reader to seek a broker licensed by the government or to ask for help from the local constable or magistrate to deal with dishonest brokers. The author does counsel the merchant to develop relationships of trust with those with whom he has commercial dealings in order to guarantee reasonably safe and secure commercial transactions, even if the merchant has to accept slightly smaller profit margins. If trusting relationships have not been yet established or are unavailable, however, there are still means at the merchant's disposal to keep himself from danger.

Early training is crucial in protecting the merchant or shopkeeper. His discipline and frugality help him to resist the blandishments offered by dishonest brokers and thus avoid falling into their traps. The self-disciplined merchant not greedy for sensual pleasures cannot be manipulated by the broker into making a deal harmful to his own self-interest. The merchant's powers of observation also help him steer clear of potentially dangerous situations. In normal business relations, the reader is expected to be able to assess someone's character, distinguish the good from the bad, and act accordingly. This power of discernment is considered one of the most important attributes of the good merchant; if he makes a mistake in his estimation of a person's character, the results could be costly.

The author of *Essentials for Travelers* expresses his faith in the effi-



cacy of a strong moral character when the merchant actually has to deal with crooks and swindlers. If the merchant's character is good and bad people recognize this quality, then they will turn over a new leaf. This claim mirrors the Confucian idea that gentleman's moral virtue reforms the world. One wonders how far the author expected the reader to take this advice. Yet there does seem to be genuine faith in the efficacy of an awe-inspiring reputation. The evil person may not necessarily be reformed, but at least he will not try to tangle with a virtuous gentleman.

The good merchant, moreover, has to assess the ability as well as the moral character of his business associates. In theory, *Essentials for Travelers* relegates skill to an unimportant position: "Those who are extremely honest and trustworthy are worth employing despite their lack of talent. Avoid those who possess great knowledge yet lack virtue."<sup>24</sup> This advice reflects both the author's emphasis on developing a relationship built on respect and his attempts to clothe his merchant-reader in the vestments of the gentleman. *Essentials for Travelers* goes on: "Formerly, Zhou Bo was not a man of letters, yet was able to expel the Lu family and restore the Han. Although Lu Duan's mind was muddled, he was [still] able to secure Xianping."<sup>25</sup>

The learned tone of this passage in *Essentials for Travelers* and the lack of any discussion of business matters indicates that the author borrowed the content of a classical text to further infuse the education of the merchant with Confucian orthodoxy. Poor Confucians struggling to discover the secrets of commerce undoubtedly found such passages psychologically comforting, affirming the respectability of their current endeavors. Another passage that does discuss business matters, however, demonstrates the author's actual distrust of depending solely on an associate's moral character. A broker, he points out, who is honest and kind but incapable will often be victimized by his own scheming servants. A merchant who consigns his goods to such a broker on credit will probably never receive his money. Where the author of *Essential Business* might have lamented the insufficiency of virtue in being a successful merchant in his degenerate times, the author of *Essentials for Travelers* simply chooses not to comment.

To avoid price-fixing schemes, a good merchant also had to know the quality of the goods in question, the current market prices, and the proper time to purchase goods. *Essentials for Tradesmen* devotes one essay to a general discussion of how to recognize the value of

goods. The author notes the goods of the empire vary so greatly that each local product is different and that even an experienced merchant cannot assess its quality. He therefore tries to provide some principles for his inexperienced readers, which are so general and commonsensical that it is difficult to imagine their being of any use: "Good quality goods, in general, are natural, shiny, fresh, fine, delicate, solid, flavorful, clean and even. Inferior goods, in general, are dull in color, withered, dark, coarse, not dense, foul and false."<sup>26</sup> Undoubtedly, the apprentice and beginning merchant learned more exacting standards as they dealt in specific goods. The author of *Essentials for Tradesmen* also advises the reader to get the services of an "expert," perhaps meaning a broker, to help him assess the quality of goods. The other manuals do not discuss this issue.

Other manual authors stress the importance of being adequately informed in order to combat dishonesty and irregularities in the economic environment. For example, one author hoped to protect the merchant by warning the broker to keep his own counsel and not be swayed by fellow brokers urging him to join them in establishing uniformly high prices. According to the author, they urge him only because they are jealous of his successful business.

In general, the reader is warned not to be careless in believing what others tell him, no matter how frank that advice may seem. These "advisers" are bent on destroying other people's business and improving their own. They are the kind of scheming people who chuckle at the misfortune of others and yet are jealous of their success.

This warning seems to contradict the advice of the author of *Essentials for Travelers* to constantly seek out information on market conditions, an apparent contradiction that can be explained by the concepts of *guanxi* and *renqing*. Once a solid relationship with good *renqing* is established, a businessman could then trust the information he obtained from this association. And in discussing letter writing as a way to obtain information on market conditions, the author of *Essentials for Travelers* claims that letters allow merchants in distant places to console each other, thus indicating the importance of the human element, or *renqing*, in these business relationships.

### *Relations with Customers*

The novel *Flowers in the Mirror* (*Jinghuayuan*) by Li Ruzhen provides the most memorable account of Qing shopkeeper and customer rela-

tions. The story's protagonists travel to the Land of the Gentlemen where they discover that the local shopkeepers will only accept a low fixed price from their customers, while the customers insist on paying more, fearing that they will take advantage of the shopkeeper. One shopkeeper informs them, "You know that we are not allowed to haggle here. All prices are one! I am afraid I shall have to ask you to shop elsewhere if you insist on paying more than the fixed price, for I cannot oblige."<sup>27</sup> The author is obviously mocking his own society, in which bargaining was decidedly more hard-nosed and, in his eyes, ungentlemanly. Yet relations between shopkeepers and merchants in late imperial China were considerably more complicated than merchants simply trying to extract the highest possible price from their customers. The manual authors' advice to their tradesmen-readers on handling customers and transacting sales, in fact, resembles their advice on dealing with other business associates.

Contrary to what we might expect from reading *Flowers in the Mirror*, the conscientious Qing shopkeeper above all strove to maintain a solid reputation in his community. Indeed, his carefully constructed self-image as a gentleman helped in this endeavor, indicating his integrity to the local community. Signs above certain Qing dynasty shops, for instance, had sayings such as "Manage your occupation according to truth and loyalty," and "Hold on to benevolence and rectitude in all your trading."<sup>28</sup> Lacking the guarantees of a fully regulated economy, consumers in a minimally regulated economy most likely found this gentleman image particularly meaningful. Failure on the part of the store owner to preserve his reputation was probably disastrous, as the anthropologist Frances Hsu shows of the 1940s:

The affairs of firms owned and managed by members of the community become known easily and quickly, especially if they involve some grievance of one party or another. . . . For such a person the power of local mores and customs is much more noticeable than broader ideals. . . . Under such circumstances few individuals, if any, dare to run the gauntlet of ostracism by members of the local community.<sup>29</sup>

As this passage indicates, the tradesman was sometimes forced to modify the classical ideal of the Confucian gentleman to maintain his reputation in the community. In many other respects, however, the behavior of the Confucian gentleman and the standards

of the local community often coincided. The role of the crowd in the *Sanyan* stories, always observing, commenting on, and judging the actions of the characters, represents in fictional form the ubiquitous community pressure that must have been felt by late imperial tradesmen.

In dealing with poorer customers, the manual authors mention them in the context of practical benefit for the merchant, rather than in the context of any sort of abstract morality. The author of *Essentials for Travelers* suggests that “you should help them with things. Since this benefits them, they will be grateful and will not be unfair to you.”<sup>30</sup> This formulation follows closely the “classical” form of *ganqing* as seen in the landlord and tenant relationship described by Morton Fried.<sup>31</sup> The shopkeeper, like the landlord in his relationship with the peasant, held a higher social and economic position than the poor customer and yet was advised that it was commercially beneficial to develop good relationships with them and help them on occasion. The landlord, according to Fried, benefited in terms of increased production and decreased cheating. The shopkeeper, in turn, could expect to benefit by eventually receiving the money for the goods he sold on credit and by establishing long-term relationships. S. Wells Williams, the author of *The Middle Kingdom* (1848), observed that in lieu of newspaper advertising, shopkeepers depended on a “circle of customers.”<sup>32</sup> Wolfram Eberhard, moreover, noted that customers of small general stores in Taiwan at the turn of the century remained faithful to one shop for up to twenty-five years.<sup>33</sup>

*Essential Business* views customer relations in a similar manner. The author warns his readers to be flexible and generous, even to the point of taking a loss on some items. If, by so doing, the customer returns to his store time and again, the shopkeeper in the end benefits from his own generosity. This strategy is illustrated in “The Shop of the Lin Family.”

On the question of price, Mr. Lin was exceptionally flexible. When a customer was firm about knocking off a few odd cents from the round figure of his purchase price, Mr. Lin would take the abacus from the hands of his salesman and calculate personally. Then, with the air of a man who had been driven to the wall, he would deduct the few odd cents from the total bill. “We’ll take a loss on this sale,” he would say with a wry smile. “But you’re an old customer. We have to please you. Come and buy some more things soon!”<sup>34</sup>

In contrast, if a shopkeeper is inflexible and drives a hard bargain, a customer will go to another store willing to give him a better deal. He will become a regular customer at that store and never return to the original one. Instead of a small profit, the shopkeeper ends up with no profit at all. This scenario reflects the same business sense found in the advice on negotiating with brokers in *Essentials for Travelers* and demonstrates the effect of plentiful competitors on business practice. Similarly, if the customer makes a mistake and gives the shopkeeper too much silver, he is not to keep it under any circumstances but to return it immediately. "Do business by principle," the author quotes an "ancient" saying, "and receive each other with propriety."<sup>35</sup> The customer's trust was much more important than the extra bit of silver. *Essential Pawnbroking* also states rather baldly that the apprentice should be generous to people in order to attract more customers. If a customer leaves something behind on the counter, the apprentice is advised to return it immediately. The manual warns the reader not to damage his reputation for the sake of some minor gain. He is also implored to treat the pawned items of the customers as he would his own possessions.

The nineteenth-century morality book *Meritorious Deeds at No Cost* also contains a story, taken from an earlier morality book, the *Quanjie jinlu*, about goods left behind by a customer. The owner of a teashop keeps a package left behind by a customer. When the distraught customer returns looking for the package, the owner claims no knowledge of it. Weeping, the customer explains that the package contains money belonging to a high official and that if he cannot find it, he will be forced to throw himself into the river. The owner then swears an oath, "If I have found it and have not returned it, I too will die by drowning."<sup>36</sup> The teashop owner becomes wealthy by investing the money he had found, but eventually both he and his son drown. In a number of the *Sanyan* stories, characters find silver lost by some traveling merchant. Although they at first consider using the money themselves, they eventually decide to find the owner and return the silver. As a result, they not only enjoy success but also avoid disaster. In one story, for instance, a do-gooder later survives a boat wreck. The merchant manual authors would have also advised their readers to return the package or silver—but to avoid harming the reputation of the shop.

In addition to flexibility and generosity, it was also crucial that the merchant be trustworthy. If prices of a shop's goods suddenly

shoot up, the author of *Essential Business* wrote, customers might understandably be suspicious. In the spirit of maintaining trust, the shopkeeper has to take pains to explain the underlying circumstances. A drought, for example, may have caused the price of wholesale goods to rise. Understanding this, customers will then trust him and be willing to pay the higher price. To maintain that trust, however, the shopkeeper immediately has to lower his retail prices once the wholesale prices fall. *Essential Business* rephrases the well-known statement of the Song dynasty minister, Fan Zhongyan: "If the wholesale price of goods rises, you should be the last to raise your own prices. When the wholesale prices come down, you should be the first to lower your own prices."<sup>37</sup> (This policy, if followed by the reader, would certainly have sharpened competition among local merchants and demonstrates the author's willingness to break with the conventional wisdom on the harmful effects of competition.) The shopkeeper is also urged to sell goods of high quality at retail prices. Through such policies the shopkeeper can build up a faithful clientele.

Morality books also urged merchants to maintain "contemporary" prices and sell quality goods. At first glance, the author of the morality book, the *Quanjiabao* (from eighteenth-century Yangzhou), also seems to have realized the practical advantages of moral behavior: "Those who come to the marketplace will flow to the shop [of the honest merchant] as water in a stream."<sup>38</sup> The metaphor of business as flowing water evokes the fundamental Confucian concept of people being drawn to those with moral virtue.<sup>39</sup> This notion also permeates the *Sanyan* stories. In one, for example, the return of an honest clerk (the shopkeeper's son) brings back customers driven away by a dishonest clerk.<sup>40</sup>

Although the tradesman has to be generous to attract customers, he nevertheless is urged by the author of *Essential Business* not to take this position too far. Too much generosity leads to bankruptcy. Thus the good tradesman has to find a middle path. Although some consideration is recommended for poorer customers, as previously seen, the author cautions his reader not to be soft or to care about feelings.

This moderation clashed violently with the advice for merchants contained in the morality books and created a key source of tension with those who sought to "revive" the agrarian economy. The agrarianist authors constantly urged the merchant to give breaks to the poor, the ignorant, the sick, the aged, the young, those in debt, and

those in distress. The author of *Essential Business* rarely discusses different treatment for these special categories of people.<sup>41</sup> He is utterly unconcerned with the system of merit and demerit employed by the morality book authors and defends his seemingly harsh position by explaining that people of his day are dishonest and will only take advantage of the merchant's kindness: "People today do not believe in honesty. When they see you are soft and emotional, they will borrow money from you. As soon as they get what they want, they will never return it to you."<sup>42</sup>

All the writers involved here concerned themselves with the effects of commercialization on late imperial society. The morality book authors attempted to protect the weaker members of society from the vicissitudes of the market economy by limiting its scope.<sup>43</sup> In a similar fashion, the merchant manual authors tried to protect their readers from what they perceived as a public greedy for profit.<sup>44</sup> Neither, however, seems to have completely understood nor empathized with the message of the other.

The author of the more elevated *Essential Pawnbroking* is somewhat more responsive to the message of the morality book authors and the needs of the disadvantaged. He calls on his readers to be especially careful when dealing with children and to be generous with out-of-town customers. Being generous was a good deed (*shan-shi*), and the reader's secret virtue would be passed on to his descendants. Religious motivation, probably spurred by the morality books, and commercial motivation are combined in this manual to urge the apprentice to be generous with the shop's customers.

This sympathetic position lies somewhere between that of the other manuals and that of *Solutions for Merchants*, which is particularly concerned with the treatment of the poor and emphasizes the dire consequences of cheating them: "If you fleece the poor and cheat good people and use knowledge to trick people for your own gain, and covet and lust after the unrighteous, although you gain and protect it, it will not last. If you do not meet with bankruptcy, your son will suffer some unexpected calamity. Your family will suffer fire and theft. In all you will not be able to measure the calamities."<sup>45</sup> It also warns against the futility of donating a lot of money to charity while unrelentingly exploiting the poor and driving them into insolvency: "Although you acquire wealth and ten thousand *jin*, and contribute property and give to charity, build bridges, and construct temples, [all of this] is merely desiring external happiness or prosper-

ity, [but] has no merit because the original intention had no humanity or righteousness.”<sup>46</sup> The author of *Solutions for Merchants* obviously wrote for much wealthier merchants and urged them to identify themselves with the values upheld by the agrarianists. He does not mention any of the practical aspects of giving special consideration to the poor and dares not ignore their plight. In fact, he states that it is better to be poor than to earn money by exploiting the poor. The manual authors, in contrast, knew that genteel poverty—perhaps living in an isolated Buddhist monastery in the mountains while writing poetry and playing the flute—was not an option for their readers. They wanted their readers to be gentlemen, but gentlemen as defined by the dictates of the rough and tumble urban marketplace, not of the country villa or urban townhouse.

Related to the authors’ approach to charity is their treatment of the merchant’s response to the social and economic status of his customers. *Essential Business* enjoins, “Among people who do business, there are no great or small. One only needs to have money and ask about buying and selling things. You must wait on all customers in the same manner and not slight people because they are ugly or plain. Even a beggar must be waited upon.”<sup>47</sup> Moreover, the shopkeeper is enjoined not to gossip about other people: “He wears what he has to wear. He eats what he has to eat. It is not my business. I only care about my own business.”<sup>48</sup> *Essential Pawnbroking* emphasizes the importance of each customer and urges pawnbroking apprentices to treat all shoppers equally, no matter how much or how little business they bring to the store. These sentiments in the merchant manuals reflect, at least from their authors’ perspective, the disintegrating effect of commercialization upon hierarchical social relations. Whether actual clerks and apprentices took such advice to heart is open to question. A clerk in a *Sanyan* story sneers at a peddler of cooking oil who enters his silver-assessing shop, sarcastically asking him, “How much silver does someone who sells oil have?”<sup>49</sup> Morton Fried noted in his study of Chu Xian in the 1940s that clerks were often contemptuous of peasant customers and threw their change at them rather than handing it to them.

A slick and polished manner characterized tradesmen and other townspeople during the late imperial period, and most observers note this quality with some distaste. The manual authors, however, give an insider’s view of presenting oneself to the public. The good tradesman, according to *Essential Business*, presents his customers



with a congenial demeanor. He maintains a pleasing countenance, speaks agreeably, keeps his face wreathed in smiles, tells jokes, gossips, and even uses florid and slick language, all to create a close and intimate atmosphere in which the customer can feel comfortable. In the story "The Shop of the Lin Family," Mr. Lin is described as having "a broad smile plastered on his face" and "glowing with cordiality" when dealing with customers.<sup>50</sup> The manual author readily admits that behavior such as Lin's was obsequious. In a degenerate age, however, in which "falsehood is profitable and the truth is not," the tradesman has no choice but to behave so unbecomingly. If he does not, he will simply not survive. The remarks by a character in *The Golden Lotus* are similar to those of the merchant manual authors.

You mustn't forget the proverb: "An angry fist will never smite a smiling face." In these days, people like to be flattered. Even if you have money and set yourself up in business, you have always to be agreeable to your customers. If you pull a long face, nobody will bother about you. What you have to do is to fit yourself to circumstances and make yourself as adaptable as running water. Then you will make money. If you always try to ride the high horse, others will get fed but you will starve.<sup>51</sup>

A passage from the life history of an actual Qing shopkeeper confirms the wisdom found in the manuals and the works of fiction: "[It is] wise to have a pleasant disposition and to acknowledge that the customer is always right." The merchant found that this kind of behavior guaranteed loyal customers.<sup>52</sup>

*Essential Business* further warns that an ill-tempered or easily angered tradesman would only exacerbate a difficult situation and precipitate a quarrel. No doubt, news of a quarrel would spread throughout the community and could affect a shop's reputation. The customer then was not powerless in dealing with the shop owner. In *The Golden Lotus*, for example, a customer unhappy with his treatment in a shop stands outside the premises and shouts his grievances, thus informing the community of the problem and putting pressure on the shopkeeper.<sup>53</sup> The shopkeeper had sufficient incentive to modify the stern countenance of the Confucian gentleman and behave somewhat obsequiously.

Although this overly solicitous behavior differed sharply from the

stern moral behavior of the ideal Confucian gentleman, it closely resembled the deferential attitude the authors of some Qing clan regulations urged upon their members.<sup>54</sup> The authors of both genres wanted their readers to avoid quarrels and maintain a peaceful atmosphere so they could proceed with their normal activities.

As in handling business associates, the good tradesman had to be quick in assessing customers who entered his store in order to deal with them properly. An essay in *Essential Business* covers relations with both businessmen and customers. As with the brokers, the tradesman has to scrutinize the faces of his customers and listen to the nature of their speech. A fair, straightforward customer who speaks reasonably is to be treated fairly. A customer who speaks coarsely, behaves arbitrarily, or glares menacingly at the shopkeeper, however, has to be handled forcefully. The shopkeeper is urged to stare back at him sternly. In the degenerate days they are living in, the author informs his merchant-reader, if someone perceives the merchant is afraid of him, then that person will take every advantage of the merchant. This observation again demonstrates the continuing importance of the moral power, authority, and self-discipline of the gentleman in an insecure economic environment. The image of the evil rogue skulking away, blinded by the shining moral strength of the gentleman-tradesman, is almost palpable in the lines of this essay. *Essentials for Travelers* advocates the same approach in business relations.

The above advice should be contrasted with that given to the head clerk at the pawnshop, who is advised not to take quarrels or disagreements too seriously and to be compromising, reflecting perhaps a more relaxed and tolerant attitude adopted by those of somewhat higher social standing. It is important to keep in mind, however, that the apprentice or clerk in the pawnbroking trade would be more likely to call in the local constable to discipline the recalcitrant or dangerous customer.

*Essential Business* has further words for apprentices and clerks on confidentiality. Speaking without considering the background of the customer and inadvertently giving away shop secrets could result in disaster for the shop. Justus Doolittle writes that brokers spent most of their time gathering information from wholesalers and retailers, and the merchant-authors advise their readers to go to other shops seeking news of the market.<sup>55</sup> The author of *Essential Business* therefore paraphrases from *The Analects* to the effect that one should think three times before speaking.

The prices in the shops of Qing China were largely open to negotiation, so clerks and shopkeepers had to be skilled at negotiating. As Isabella Bird wrote of late nineteenth-century China: "Everywhere in these crowded streets not a thing is sold, from a valuable diamond down to a straw shoe, without the deafening din of bargaining."<sup>56</sup> The author of *Essential Business* enjoins his merchant-readers to be both consistent and flexible in these petty negotiations. Although this advice sounds somewhat contradictory, the author seems to have meant that once the shopkeeper had quoted an initial price, he could go lower but never higher. In any event, the good merchant never quoted the actual price at the outset but instead began negotiating with a price roughly 30 percent higher. The author points out that even if the shopkeeper were to sell his goods at cost, the customer would still try and bargain him down. Because of the degenerate age in which they were living, customers would probably not believe the shopkeeper were he to tell them the actual price. Only after the customer had bargained down the shop owner would he believe he was being given the actual price. Thus the tradesman was again forced by circumstances to deviate from the path of the gentleman and behave slightly dishonestly. The important point here is that room always had to be left for compromise and negotiation. Bird confirms that initially shopkeepers never asked the price they intended to take and customers never stated the amount they were prepared to pay.<sup>57</sup>

Once the bargaining got heated, the shopkeeper had to be persistent and not capitulate even though the customer might cling stubbornly to his position. Bird points out that a customer might think nothing of spending an hour to achieve a trifling reduction.<sup>58</sup> When handling a customer, the *Essential Business* author insists, "you must absolutely not have a divided mind and must not be distracted. You must stand at the counter facing outward, only when he makes it clear that he is not a buyer can you turn your attention elsewhere."<sup>59</sup> The tradesman had constantly to search and probe for avenues of compromise, even to the extent of engaging the services of another as a go-between. Even if the price the customer offered might be far from the price the shopkeeper was seeking, he still could not ignore him. Even if the person was short-tempered, the tradesman still had to try to make the best deal he could. And although the tradesman may take a loss on one deal, the next time the same customer came in he might earn a profit. The author, naturally, does not suggest that the shopkeeper take a loss on every deal; he urges him on the contrary to calculate and recalculate before making a sale in order to

avoid regrets later. The point here is that the shopkeeper should be flexible and keep in mind the long-term situation. Again, this strategy is illustrated in “The Shop of the Lin Family”: “We’re not making any profit, but if we don’t do any business I still have to pay expenses anyway. The main thing is to get the customers to come in, then I can gradually raise my prices.”<sup>60</sup> However, not all shopkeepers and clerks took this prudent advice to heart. Arthur Smith found that most village shopkeepers in late Qing Shandong drove a hard bargain, implying that they would cheat a customer if they could.<sup>61</sup>

The persistence advocated here illustrates the serious devotion to duty instilled in the tradesman during his early training. The young apprentice is constantly enjoined to behave seriously and to place his heart and mind totally in business. Again we see how well some elements of the Confucian-influenced training served the demands of the commercial world.

To avoid a deadlock and loss of dignity for all concerned, the good tradesman had to select his words carefully so the customer would know precisely what he meant. The author of *Essential Business* quotes a saying, “In business, if you do not use words judiciously, you will not be successful.”<sup>62</sup> The shopkeeper is also advised to speak calmly and soothingly as he and his customer try to arrive at a price suitable to both.

In addition to the art of haggling, *Essential Business* counsels its reader on sales techniques. A customer might very well say that the store’s merchandise is unattractive. The good shopkeeper will not try to dispute him but will instead try to rationalize the defects. A basic technique is first to show goods of low quality with the expectation that the customer will say they are unacceptable. Then the merchant should bring out goods of the next grade. If these too are rejected, the good shopkeeper should tell him, “Sir, you have made up your mind to buy goods of high quality. The price will not be cheap.”<sup>63</sup> According to the author, after all this trouble the customer will then be willing to pay the high price for the goods. If the shopkeeper had shown the customer the high-quality, high-priced goods at the beginning of their negotiations, the customer would not have been willing to buy them. The small businessman is also advised to buy goods that are in the appropriate price range for his store for they will sell the most smoothly.

One of the *Sanyan* stories relates how a shopkeeper might have opened negotiations. The owner of a furniture store, seeing a customer looking at his goods, stops his work and inquires, “What kind

of furniture do you want? Come inside and look around.” The customer then asks if the owner made the furniture himself, and he responds, “I made it all. The wood is dry and thick, the craftsmanship exquisite and unique.”<sup>64</sup>

Some sales techniques relied on more spiritual techniques. According to Justus Doolittle, merchants on the second and sixteenth of every month burned incense and paper money in front of their shops to ensure, among other things, that customers did not enter the shop simply to inquire about the price of goods without the intention of buying.<sup>65</sup> Bird tells us that some shop fronts displayed sayings such as, “May rich customers ever enter this door.”<sup>66</sup> The manual authors as we might expect make no mention of these practices; learning the art of dealing with the customers came first, invoking supernatural help could come later.

Neither do the authors mention guilds. We know from other accounts, however, that shops belonging to guilds had to price their goods in conformance with standards set by the organization and could be fined if they deviated from those standards. Those merchants who did not initially join the guild would usually be pressured into joining. Doolittle implies that not all items in a shop would be covered by these standard prices and that these guild-determined prices did not seem to deter customers from trying to bargain. He further discovered that certain shops sold goods at one “real” (or set) price, again suggesting that other shops would be flexible with the price of their goods.

Another subject the manual authors do not address at all is advertising. One businessman who revived the fortunes of his family’s pharmaceutical business in the eighteenth century attributed his success, in part, to aggressive advertising.<sup>67</sup> Qing dynasty shopkeepers also placed elaborate signs in front of their shops to draw in customers. Shop signs are occasionally mentioned in the *Sanyan* collection stories. The furniture maker in the aforementioned story, for example, had a sign that read, “Finely made and sturdy small wooden furniture. We don’t neglect the customers.”<sup>68</sup> A sign for a fortune-teller’s shop (*suanmingdian*) read, “If you want to know your fate, you have only to ask Zhang Tiekou.”<sup>69</sup> The signs were important in the marketplace:

The shape of the signboard and the different colors of the letters and face of the sign indicate different trades. The devising of a signboard is a very important matter; it may affect the luck of the shop. The

name of the shopkeeper comes first, but in the case of a firm a word of good omen is substituted for the names, with a character signifying union. In both cases the top characters are followed by words of good omen, suggesting wealth, prosperity, and increase. . . . An old signboard is a valuable piece of property, and if the business is sold fetches a high price, like the goodwill of a long-established business at home.<sup>70</sup>

Another foreign observer noted that advertising was limited to certain trades and that stores with good products were believed not to need advertising at all.<sup>71</sup> S. Wells Williams pointed out that some Chinese shopkeepers even passed out business cards.<sup>72</sup>

The agrarianists and morality book authors of the late imperial period do not criticize merchants and shopkeepers for creating artificial demand through advertising. This lack of outcry indicates that advertising in Ming-Qing China was less developed than in eighteenth-century England where shopkeepers were indeed taken to task over the issue of advertising and the creation of false needs.<sup>73</sup>

The practices discussed here and in Chapter 4 make it clear that the manual authors indeed did not conceive of relations with customers, employees, business associates, business partners, and others as purely economic. On the other hand, although Confucian notions such as loyalty, generosity, and human feelings permeated the Ming and Qing commercial world, merchants did not act against their economic interests. On the contrary, these “extra-economic” notions implicitly protected them and ensured their commercial success. The authors’ failure to express, for the most part, any special concern for the poor and the disadvantaged demonstrates that they did not want affection for their fellow man to interfere with the practice of business. They displayed, moreover, no sense of obligation to serve society at large. Merchants only employed “extra-economic” notions where they could usefully advance their commercial interests. Indeed, far from being dysfunctional, the emphasis on personal relations lends commerce in East Asia “flexibility, responsiveness, and tenacity.”<sup>74</sup>

Yet, from a utilitarian perspective, as the late imperial economy became more commercialized the importance of social relations in economic activity should have declined and individuals would increasingly have acted and made decisions based on rational, self-interest without any reference to social ties. As one writer put it:

"*Homo oeconomicus* (that is, one who has completely assimilated the capitalist system) has no feeling of affection for his fellow man. He wishes to see in front of him only other economic agents, purchasers, vendors, borrowers, creditors, with whom he has in theory a purely economic relationship."<sup>75</sup> Was Chinese economic behavior in an emerging market economy a completely different form of development?

Recent research shows social ties are important in the contemporary capitalist West. Economic actors rely on "concrete personal relations and structures (or 'networks') of such relations in generating trust and discouraging malfeasance. The widespread preference for transacting with individuals of known reputation implies that few are actually content to rely on either generalized morality or institutional arrangements to guard against trouble" in a world in which "distrust, opportunism, and disorder are by no means absent."<sup>76</sup> This preference would have made sense to the Chinese merchant manual authors.

## 6 THE MARKET, MANAGEMENT, MONEY, AND FINANCE



Specialized technical knowledge had an important role in the emergence of merchant manuals during the late Ming period.<sup>1</sup> Although human relations, especially in *Essentials for Travelers*, were generally accorded a great deal of space in the Qing merchant manuals, the authors did not by any means ignore what might be loosely referred to as technical knowledge. The single-minded devotion to duty fostered by the self-cultivation process allowed neophytes to master this considerable body of technical knowledge, which included understanding and acting upon the fluctuations of the market, practicing business and financial management, extending and using credit, judging the quality of silver and using the scale, knowing the intricacies of travel, and thwarting criminal schemes.

All together, the essays on these various subjects provide numerous intimate details of commercial practices. Discussions of technical issues are often interlaced with commentary on character training and social relations, indicating the interrelationship of technical matters and self-cultivation in merchant culture. The authors not only dwell on theory but also discuss actual business practices of the day in order to make their own points more effectively. However, they at times ignore technical information known to Chinese merchants as far back as the Song dynasty, thus giving us a deceptively simple portrait of some commercial practices during the late imperial period.

### *The Market*

As we saw in Chapter 1, the market came to affect more and more people in late imperial China and brought them both opportunities and risks. People involved in the commercial world, however, expressed confidence that the market could be not only thoroughly understood but also successfully manipulated to obtain profit.



The author of *Essential Business* believed that goods on the commodity market were in constant flux: "When goods become extremely expensive, then they must become inexpensive again. When they become extremely inexpensive, then they must become expensive again. This is the ultimate principle."<sup>2</sup> The Ming dynasty *Encyclopedia for Gentry and Merchants* offered a similar analysis: "Goods have their flourishing and waning and prices are not set. You must recognize that in a depressed market, upswings will also occur. When market prices are high, downturns are concealed. When prices begin to rise, anticipate a good time for selling."<sup>3</sup> The protagonist of the *The Golden Lotus* illustrates the confidence that all merchants placed in this principle, "When the river is frozen, nobody buys rice. The price will go down again as soon as the ice melts."<sup>4</sup>

Choosing the right time to buy and sell therefore determined financial success. This analysis of the market was rooted in an overall emphasis in Chinese society on timeliness and the ancient belief (derived ultimately from the *Yijing* [Book of Changes] that time was cyclical rather than linear and that periods of order and prosperity anticipated periods of disorder and decline and vice-versa.<sup>5</sup> The good tradesman therefore had to learn to be patient and not to make transactions in panic at an inopportune moment. According to *Essential Business*, as the market could always be depended upon to turn eventually in the merchant's favor, he had to learn to bide his time. The manual quotes two proverbs to support this contention: "No item will remain expensive for over one hundred days and no item will remain cheap for one hundred days," and "When things reach an extreme, they will return the other way."<sup>6</sup>

To know when to act, the good tradesman has to possess accurate and up-to-date knowledge of market conditions, which change from morning to night according to the manual. Pu Songling, the famed writer familiar with the world of commerce, depicts the volatility of the market in his short story "Lazy Wang":

As he approached the capital, he heard to his great joy that linen was at a premium; but when he reached the metropolis and set down his baggage in an inn, the innkeeper told him he had come too late. The road to the south had only just been opened, and very little linen had been coming to the north; and since many rich families in the capital wished to buy it, the price had soared to about three times the normal figure. The day before Wang's arrival, however, such a large consignment of linen had arrived that the price suddenly dropped,

and [latecomers] lost their market. . . . The next day, as more linen arrived, the price dropped further; and Wang, unable to make a satisfactory profit, would not sell.<sup>7</sup>

*Essential Business* advises the reader to leave the shop occasionally and visit with other tradesmen on his street in order to obtain accurate and up-to-date information. After preliminary niceties, he should discuss prices and the availability of goods on the local market and keep an ear open for news emanating from the region where the goods are produced. Afterward, of course, the tradesman needs to be able to analyze this information correctly.

If the market changes, then he has to investigate the source of the change and weigh all the factors involved to determine whether the change is true or false.<sup>8</sup> The degree of change has to be watched closely as well. A large drop or rise in prices, *Essential Business* explains, signals a false change, but a slight drop or rise signals a true change. The author of the *Encyclopedia for Gentry and Merchants* also discusses false profit, suggesting that someone might be deliberately manipulating the market to ensnare the covetous.<sup>9</sup>

Although these information-gathering forays are important, the reader is warned not to spend too much time away from his own shop. We can infer that the authors are concerned not only about wasting time but also about the inadvertent disclosure of information. The depiction of gossip-mongering shopkeepers in popular novels during the late imperial period underscores the author's concern on this last point.<sup>10</sup>

When buying and selling goods, the experienced tradesman must pay attention to supply and demand. When few customers come to his shop and goods begin to accumulate, he is advised in one essay to stop buying and to wait for the market to bottom out. When many customers demand a certain product and his stock begins to dwindle, he is advised to buy. However, if goods are too expensive, the author explains in another essay, then the tradesman must wait until prices go down again to purchase them. If he anticipates a rise in prices, the manual counsels in a later essay, then he must buy large quantities of wholesale goods while they are still cheap. The author also encourages the reader to store his goods rather than sell them when their price is at their lowest and no profit can be earned. In yet another essay, the reader is urged to be sensitive to even small price changes, for eventually small increases will lead to large accumula-

tions of money. This theme appears frequently in the manuals, indicating that mid-level merchants, especially those who followed the advice of the *Essential Business* author, were more similar to hard-working peasants, who held a "long-term vision of cumulative, small, hard-wrought contributions from each generation," than to risk-taking capitalist merchants.<sup>11</sup> The gradual accumulation of money, however, should not be mistaken for a lack of ambition. Nyok-Ching Tsur writes of turn-of-the-century Ningbo, "Ambitions within the individual classes are stimulated mightily by this thriftiness. Thus handicraftsmen are driven by the hope that the coming generation may be even more prosperous."<sup>12</sup>

The author of the preface to the *Shishang yaolan* places even greater emphasis on the market, encouraging his readers to reap big profits through the manipulation of market differentials: "Whatever is priced low can be bought and hoarded. If you want to do this, you must have a lot of money. As soon as prices rise, you can gain a profit that will not be small."<sup>13</sup> For example, in addressing grain merchants, he notes that the best time to hoard food grain is at harvest time. The reader is then advised to store his grain and wait for a fall in supply. However, when the price of goods is high, the profit margin is negligible and not worth pursuing. In addition, the merchant will face disaster if prices should suddenly fall. It is thus crucial for the grain merchant to be aware of changes in the market.

In addition to understanding the market, the grain merchant must be a close observer of nature. Mid-level merchants of all types fanned out through the countryside buying agricultural products from small producers. Weather and natural phenomena affected crop harvests and local handicraft production, which in turn affected his business. If, for example, the winter was extremely cold and late spring was windy and rainy, the merchant is advised to expect droughts or floods followed by bad harvests. The author supplies the reader with a wide array of situations and their expected effect on his business prospects. A knowledge of these phenomena and their effect upon the market and of the agricultural practices of peasants in different areas allows the merchant to plan his affairs in advance.

A fictional account in *The Golden Lotus* offers a good example of the importance of this knowledge: "There was a very dry year in Honan and Shandong. There were no crops on the land; the cotton was a failure; and the fields were bare. The price of material went up and every roll of cloth fetched three-tenths more than its regular

price. Merchants took away their money with them and set out to buy goods even many miles away.”<sup>14</sup> Similarly, a man doing business in one of the *Sanyan* stories hears that rice is plentiful in Feng Bridge, and the price is therefore quite low. At the same time, he hears that it had not rained in Hangzhou for a month, that the rice sprouts had all shriveled, and that the price of rice had subsequently soared. He therefore buys the rice at Feng Bridge and brings it to Hangzhou where he sells it for a handsome profit.<sup>15</sup>

The *Shishang yaolan* author shares the confidence of the author of *Essential Business* that prices were constantly changing and therefore also advises his readers to exercise patience and never to panic when goods become expensive. He also stresses timing and the importance of a quick decision, writing that a decision made too late could lead to problems.

A short essay in *Essentials for Travelers* urges the reader to learn to predict changes in the price and availability of goods but does not develop the idea further. In a short essay in the second volume of *The Merchant's Guide*, however, the author, perhaps Wu Zhongfu himself, urges his reader to write letters to learn about the “flow of goods everywhere” so that he can “know the information and opportunities in time and know what to do and what not to do.”<sup>16</sup> These letters, he continues, must be sent by a messenger who has to be tipped generously. If an urgent situation happens to arise, the reader is advised to hire a special express messenger (*feibao*) and provide him with wine money to ensure that the message is delivered quickly. An essay in *Essential Business* notes that traveling merchants also carried letters for others as they traveled from town to town. In fact, the sixth volume of *The Merchant's Guide* is a manual of form letters, along with the appropriate replies, covering such diverse subjects as borrowing silver, recommending clerks, requesting market information, purchasing goods, consoling someone who had been robbed, and inviting others to establish business relationships.<sup>17</sup> Although this kind of manual was common during the late imperial period, its emergence in a format designed specifically for the merchant was an important step in the development of merchant culture in China.<sup>18</sup>

In *Essentials for Tradesmen* an essay on the warehouse trade cautions its readers that manipulating the market is for skillful and sagacious merchants, not for merchants of mediocre talent like themselves.<sup>19</sup> The author advises readers to buy goods even when prices are high and sell goods even when prices are low. His rationale is dif-

difficult to understand but the outcome nevertheless seems reasonable: the merchant stands to benefit financially by taking in a steady, if humble, profit. This approach to the market would ensure a steadier flow of goods to the consumer at more stable prices and, as we will see below, accords with the views of the morality book authors on this subject. It also demonstrates the danger of overgeneralizing about the manuals. This author, like the others, also stressed the importance of timing and resourcefulness.

For the most part merchants exuded confidence that the market could be understood, mastered, and manipulated; it was not a mysterious force beyond their control requiring periodic supernatural intervention, although divine help could not be harmful either. The great faith placed in the free operation of the market and in the inevitability of favorable market conditions as reflected in *Essential Business* and *The Merchant's Guide* might explain, at least partially, why Chinese merchants did not risk directly investing their capital in industrial enterprises and why the late imperial economy remained oriented toward profit from trade rather than from production and increased productivity. It made good economic sense to stay with the market. Moreover, the authors never discuss any prolonged market downturns (although these downturns did occur during the Qing), which might have pushed merchants to explore other kinds of profit-maximizing activities such as investment in industry.

As beneficial as market manipulation may have been for the merchants and tradesmen of the time, this practice flew in the face of warnings from the pens of certain members of the elite. Indeed, the image of the guileless peasant stripped bare by crafty merchants at harvest time pervades the writings of the late imperial period. Morality book authors in particular opposed manipulating the market for various reasons, but all feared its deleterious effect on the agrarian, small-producer economy. For the morality book authors, one of the merchant's legitimate roles in the agrarian economy was to transport goods quickly from where they were produced to where they were needed. If merchants held goods waiting for the best price, that clearly hurt small producers and went beyond legitimate behavior. Furthermore, buying cheap often meant buying agricultural goods from peasants when they were most vulnerable and in greatest need of cash; selling dear often meant selling peasants processed goods at overblown prices. Both practices would eventually lead to peasant bankruptcy and flight from the land. Clearly, not all of the merchant

manual authors would have approved of the more extreme aspects of these practices. Yet none are defensive on market manipulation and none warn merchants to treat peasants fairly.

A quote from one late eighteenth-century scholar perhaps best summarizes the elite's fears about market manipulation: "Shopkeepers are stationary. If [goods] are not the cheapest, they do not buy. If [prices] are not the highest, they do not sell. Manipulating the market thus, they take advantage of the urgent [needs] of the common people (*xiaomin*)."<sup>20</sup>

The author of the "Thirty-six Virtues for the Merchant," writing in the early Qing, tells his merchant-readers not to take advantage of shortages of goods on the market. Many of the stories meant for merchants and tradesmen in the nineteenth-century *Meritorious Deeds at No Cost* were culled from earlier morality books and therefore seem irrelevant to the commercial realities of the late imperial period, if they even made sense in their own time. The first story, for example, was taken from the well-known Song dynasty morality book *Taishang ganying pian* (Treatise of the Most Exalted One on Moral Retribution), which was published repeatedly and remained extremely popular well into the late Qing. The first and third emperors of the Qing dynasty officially endorsed this book, and some learned Confucian scholars wrote commentaries on it. The story itself tells of a virtuous son who was made the manager of a grain shop by his father. Acknowledging that all merchants bought cheap and sold dear in order to earn a hefty profit, the father claimed that their store sold its goods at one price regardless of the current market price. The family nevertheless prospered, and the father attributed the abundance enjoyed by the family to the benevolence of the gods. We can well imagine the Qing shopkeeper scratching his head and wondering how father and son managed this financial feat.

Writers from the Qing period had a somewhat better grasp of commercial reality. Shi Chengjin, the author of the morality book the *Quanjia bao*, admonishes his merchant-readers in a section titled "Contentment" (*Anfen*): "It is not necessary to discuss market prices and conditions. Whether the [potential] profit is great or small, you still must [make the transaction]."<sup>21</sup> Small but steady profits, he suggests, appealing to the merchant's practical instincts and sense of vulnerability, will serve him better than attempts at a big killing in the marketplace. In another essay titled "False Shopkeepers," Shi darkly suggests that Heaven will see to it that those who monopolize

the market, even if they are temporarily successful, will eventually become poverty-stricken. Contemporary merchants undoubtedly had enough evidence to the contrary to brush aside these kind of threats.

The author of the *Tingshu pingshuo*, the eighteenth-century governmental, or semigovernmental, morality book, was concerned that manipulation of the market would also lead to delays in the collection of the country's taxes. But it should be noted that some high officials in the eighteenth century, such as Chen Hongmou, valued commercial exchange and expected and approved of profit-making.<sup>22</sup> However, he probably would have disapproved of some of the more extreme behavior described above.

The morality book authors were all ultimately concerned not with the merchant's margin of profit but with his obligation to provide honest and reliable service, which was necessary in preventing social disorder. The merchant manual authors, in contrast, did not attempt to cultivate any general sense of obligation toward society that was not linked to their readers' self-interests. They simply tried to avoid offending community mores and standards.

### *Business and Financial Management*

The author of *Essential Business* devotes a number of essays to what today might be called business and financial management. Like the other authors who wrote on these matters, he takes a cautious approach in advising his readers. For example, the owner of a small shop must recognize his limits and curtail his ambitions. If silver suddenly became plentiful, he might grow discontented with his humble circumstances and be tempted to borrow money and formulate "bold and flighty" plans. The author does his best to discourage the reader from this course of action. Those who have lent him money, he warns, will simultaneously descend on him to reclaim their debts when they see that he has run into problems. It is clear that merchants at this level frequently did run into serious trouble, and such situations were occasionally depicted in fiction. In Mao Dun's story "The Shop of the Lin Family," Mr. Lin's creditors come to collect the money owed them upon hearing rumors that his shop is about to collapse.<sup>23</sup> In one of the *Sanyan* stories, creditors behave in the same vulturelike manner.<sup>24</sup>

The small shopowner is similarly advised not to compete with a

larger store by trying to undersell it or by selling all of his own goods at once. The *Essential Business* author warns that such a strategy rarely succeeds. He then quotes an ancient saying, probably derived from the classical military theoretician Sun Zi, “In war nothing equals being good at defense,” and observes that the ability to yield is the secret of business.<sup>25</sup> Although some of the authors accept as fate the impossibility of making a lot of money (see Chapter 3), larger stores in this case may have belonged to sojourning merchants and would have been much more heavily capitalized than the stores owned by local mid-level merchants. The merchant manual authors preferred the long-term, gradual accumulation of steady profit to any windfall.

The writer urges the reader who had recently opened a business to be patient and understand that it may take as long as one year for a business to become firmly established and known by the local populace. He warns that if desperation over an initial lack of customers leads a shopkeeper to relocate his shop, then he will only find himself in greater trouble. Curiously, he does not have any advice on how to finance a new business. Small shops generally were financed by funds borrowed from relatives. For example, the owner of a shop selling household necessities in the 1880s financed his business in the following manner:

Four men lent him twenty thousand cash each—altogether a little more than my father could earn a year as clerk in a store. They were the [sons] of a maternal aunt who had married into the Wang family and who owned a shop where they sold silk and satin and jewelry; a man named Sung; a man named Liu who owned many sailing ships; and the son of my father’s sister who had married into the Liu family.<sup>26</sup>

Many mid-level merchants, however, would not have had such connections and would have had to scrimp, save, and borrow to open their own shop.

The author of *Essentials for Tradesmen* recommends that a new shop be located in a downtown area near a wharf so the owner can be on top of the general situation, attract many customers, and sell both expensive and inexpensive goods. A character in one of the *Sanyan* stories is likewise advised to open his new herb shop near the ferry wharf. This advice is hardly surprising as commercial quarters



in late imperial cities were located as close to transportation networks as possible.<sup>27</sup> Demonstrating the typical distaste of the manual authors for the penny-wise, pound-foolish approach to business, the author warns the reader that paying lower rent in a secluded area constitutes a false economy.

The author of *Essential Business* discusses the management of money in only one essay, urging frugality and the measuring of expenditure against income: "If you spend a lot, you will end up with a small amount of capital. It is not as good as spending a copper when you find a copper. If on the contrary you find one and spend two, how can this not be a bad thing?"<sup>28</sup> He ends the essay by quoting the saying, "It is not easy to make money. Once you have spent it all, only then will you know how difficult it is."<sup>29</sup> The author of the *Encyclopedia for Gentry and Merchants* describes the hardships that the traveling merchant must undergo, and then quotes an "ancient" saying: "Wealth does not come into one's hands easily; when you use it, think about the difficulty of earning it."<sup>30</sup> As in his essays on credit, this writer reveals his conservative approach to business and financial management. Caution and patience, rather than risk and ambition, were the keys to commercial success.

Although the author of *Essentials for Travelers* hailed from an area where economic opportunities were more numerous than those in the north, he proves to be no less cautious in his approach to financial management. Employing the model of household management, he too advocates measuring expenditure against income and threatens financial ruin if the reader fails to follow his advice. People who suddenly become wealthy, he writes in another essay, must particularly adhere to this credo. Too often, those with newly acquired wealth throw caution and calculation out the window and end up losing all their money. As a remedy, the author emphasizes the importance of keeping accurate accounts. It was not always easy, after all, to keep track of how one spent money. The good merchant, then, must be frugal and careful even if he possesses significant wealth. No matter how big or small the reader's shop, he is advised to be satisfied with small but steady profits. In a similar vein, the author of *Essentials for Tradesmen* advises his reader to be satisfied with the profit he can make in his local area and not to go afar in seeking profits.

The philosophy of business management in *Essentials for Tradesmen* is equally conservative. The reader is advised not to be greedy

(“having obtained Shaanxi, one then looks toward Sichuan”) but to stay with his own profession and hone the skills he has already acquired. Continuing this same line of argument, the author warns the reader in another essay not to change his business. In a new business, he might not properly assess the quality of the goods or accurately predict price changes, resulting in the loss of all of his capital. It is better for him to accept low profits from a known business. We can definitely trace this cautious approach back to at least the late Ming. In *Solutions for Merchants* the author wrote, “If you do not know it, do not buy it. Keep to your own trade. As for normal trade and familiar goods, although the profit is small, and supply of goods moreover is irregular, you must not lightly change and abandon [your original trade]. If you suddenly take up a new trade, you will not be able to completely judge the quality of the goods. The prices [too] will be difficult to determine.”<sup>31</sup>

Despite these conservative warnings, merchants in late imperial China were willing to move into different fields, and wealthy merchants did own a wide variety of businesses.<sup>32</sup> A character doing business in a *Sanyan* story, though not a merchant by trade, switches easily from one product to another whenever the opportunity for profit presents itself.<sup>33</sup> Mid-level merchants, considering their vulnerable position, may have been more reluctant than others to change trades, although there is clearly some room for doubt here.

The author of *Essentials for Tradesmen* also writes that a good merchant meticulously manages each business detail no matter how trivial. According to Arthur H. Smith, the late Qing retail merchant knew everything that went on in his shop; he was “able to give the precise number of matches in a box of each of the different kinds” and knew “to a fraction the profit of each box.”<sup>34</sup> The good merchant prepared for the future and took preventive measures against possible disasters. The author of *Essentials for Travelers* quotes the saying, “Build embankments before the flood.”<sup>35</sup>

Only a few essays address the management-related issue of business partnerships, and even then the author of *Essentials for Travelers* notes that a store that is operated under single management is preferable to a partnership in which brothers rotate as the manager. Each brother, he reasons, will only look after his own interests, reflecting the preference of sons during the late imperial period to start their own households (*fenjia*) rather than stay together under their father’s roof after the death of their father. If a number of busi-

nessmen should come together to form a partnership, the author recommends that the loyal (*zhonghou*) partners be entrusted with watching over the firm's principal (*ben*) while the capable partners should be entrusted with buying and selling. Although partnership contracts were prepared during the Qing period to protect each partner and apportion the risks, costs, and profits, the author does not mention them, once again demonstrating his lack of interest in discussing any sort of legal safeguard.<sup>36</sup>

An essay on business partnerships in the second volume of *The Merchant's Guide* also emphasizes moral character and integrity as essential to the success of the enterprise. The author warns the partner not to allow his personal interests to override the general interests of the firm. If discovered, he might be embarrassed or sued by his partners and possibly lose his entire fortune through heavenly retribution (another exception to the general rule). He chides the reader about the ridiculousness of losing one's reputation and wealth simply for some small gain. It is better to be scrupulously honest, to cooperate, and to work together energetically to earn profits. If some deal does not work out, the partners, the author advises, should not become angry with each other. Overconfidence is also to be avoided.

The merchant manual authors all express similar aversion to risk and ambition, opting instead for caution and preparedness. What can be made of this seemingly deeply entrenched conservatism? Was it a rational response to the economic environment of the time or did it serve some other purpose? Was the commercial environment so dangerous that it obviated any sort of risk and ambition? If so, why did the authors advocate a relatively adventurous approach to the commodity market and yet not urge their readers to take advantage of the legalistic and contractual tools that may have been at their disposal? If all Chinese merchants and tradesmen had followed their advice, the result would probably have been a stable but undynamic commercial economy.

As opposed to the essays on the market, the authors' approach to business and financial management dovetails with the views of the elite essayists and morality book authors, who also stressed stability and social stasis. The author of the *Tingshu pingshuo* morality book, in an essay titled "Lightly Changing One's Permanent Profession," wrote, "Whether goods bring you a profit or not, you [must] concentrate on accumulating your skill and diligence. Even if you have no

luck, you will still have observed your obligation.”<sup>37</sup> Shi Chengjin, the author of the *Quanjiabao*, informs his readers that he has personally seen many people squander the entire family fortune in the pursuit of big profits. In his essay “Do Not Waste Your Wealth,” he urges his readers to budget their income before spending and to keep a constant surplus in case of celebrations or unexpected famines. Both of these eighteenth-century morality books desired their readers to remain at home and in the same occupation and to be satisfied with modest profits.

### *Credit*

Fernand Braudel, describing credit in early modern Europe, has written, “From the small shopkeeper to the businessman, from the artisan to the manufacturer, everyone lived on credit. . . . The entire commercial system depended on it. If credit arrangements broke down, the economy would grind to a halt.”<sup>38</sup> Credit had an equally important role in late imperial China. The merchant manuals indicate that the average shopkeeper in Qing China both lent money and stored money for profit.

The author of *Essentials for Tradesmen* notes that the tradesmen of the day extended credit to customers for three reasons: to attract business, to increase profits, and to dispose of inferior goods. The author of *Essential Business* observes that those who lend money view this practice as another way of making money. In an essay that discussed relations with customers, he made it clear that shopkeepers normally held people’s money for safekeeping. Credit, therefore, seems to have been an integral part of the commercial environment in Qing China. How comfortable were the manual authors with this situation?

None of the authors is entirely comfortable with the widespread practice of borrowing and lending, and the ideal remained the cash-on-the-counter transaction. They nevertheless grudgingly advise their readers on the uses and abuses of credit and generally look down on customers who seek it: “Good customers don’t ask for credit. If they do, they are no longer good customers.”<sup>39</sup> The honest, conscientious shopkeeper, moreover, need not resort to extending credit: “If they have a conscience and treat their clients in a fair way, and do business according to their understanding of a situation, they will make the deal by persuasion. They do not have to try hard to

attract business, and they need not be bothered with lending money.”<sup>40</sup>

The number of essays on the issue of credit in the manuals, however, indicates that the cash transaction in late imperial China was an ideal honored as much in the breach as in the practice. As the author of an 1896 Shanghai advice book wrote, “[If you] do not extend a little credit, [your] business will not be large.”<sup>41</sup> The merchant-writers provide detailed instructions on the circumstances under which credit is to be given and the measures to be taken with customers behind in their payments. Borrowing money is also discussed, but in less depth.

As with so many other aspects of the merchant’s life, the granting of credit was, according to the manuals, to be primarily determined by the moral character of the borrower, with economic circumstances figuring prominently as well. A character in *The Golden Lotus* claims, “A man who wants to borrow money has only to establish a reputation and then everything is plain sailing.”<sup>42</sup> The authors warn the tradesman to examine his customers closely to discover whether they possess a sense of shame and care about their reputations. If they meet these requirements, then, even if they go bankrupt or lose all their money, they will still somehow manage to repay their debt and preserve face.

Family background was another important consideration for the manual authors in granting credit; the tradesman need not expect any problem from a person who belonged to a principled family. Similarly, the merchant need not worry or quibble if he dealt with a wealthy customer or a powerful broker or store owner. The author of the Ming dynasty *Solutions for Merchants*, however, cautions that a customer’s financial status may not provide sufficient information: “When someone seeks to borrow, you do not only calculate his family property, [but also] see if his character is sincere. If he is crafty and covetous, although he is wealthy, you should not lend him money.”<sup>43</sup>

One author, in addition, puts forth the idea that if the tradesman treats people fairly, then they will be more prone to make good their debt: “Use righteousness to obtain benefit.”<sup>44</sup> This advice once again demonstrates the importance of the concept of *renqing* in business. If the shopkeeper develops a personal relationship with his customer and the *renqing* is good, the shopkeeper will have a greater chance of getting back any money owed him.

When credit had to be given, one author advises to lend an amount as small as possible. If customers habitually renege on their debts, then the tradesman is advised to surrender goods to them only upon immediate payment and to forbid them credit.

As for interest rates, the author of *Essentials for Travelers* tells his reader that although a merchant or tradesman may occasionally charge interest rates of 7 to 8 percent, the rule should be rates of 2 to 3 percent (the norm for the Qing period). The author hints that if the merchant consistently charges high interest rates, then heavenly retribution will bring about the loss of his capital. This reference to heavenly intervention represents one of the few exceptions to the generally secular tone of the three main manuals. Nothing is said, however, of the Qing Code, which prohibited high interest rates. *Solutions for Merchants* provides the same information on interest rates but notes that consistently charging 7 to 8 percent interest will not only cause resentment but also offend Heaven and lead to bankruptcy. Both the practical and the moral are at work here. It was far better to accrue wealth slowly without offending others.<sup>45</sup>

Granting credit and lending money, however, meant potential difficulties as well as potential profits. The author of *Essential Business* states that the merchant cannot afford to be soft or to care about his customer's feelings. The public will not bother to return money borrowed from sentimental businessmen. The author once again justifies this deviation from ideal behavior by noting that people no longer believe in honesty and will merely take advantage of those who treat them with kindness and generosity. The new times, we can infer, required the gentleman-tradesman to revise his code of behavior to survive.

The author of *Essentials for Tradesmen* warns that at best one can make only a small profit when giving credit. He does concede, albeit reluctantly, that shopkeepers who have customers from different places must grant credit. *Essentials for Travelers* cautions its readers that if a customer agrees without haggling to the first price offered by the shop owner, then he is probably seeking credit and fears that bargaining too strenuously will hamper his chances. *Essential Business* notes that once credit is granted, a customer might argue that the goods are of low quality or that the scale is rigged and presumably will be unwilling to pay the agreed upon sum. Moreover, if the shopkeeper himself wishes to adjust or increase the price, the person who buys on credit will be unwilling to pay the difference.

In addition, the good tradesman always had to be on the lookout for unscrupulous characters who might use “glib and florid” language or alcohol to coax him into granting credit, lending money, or delaying payment. These types, undoubtedly ubiquitous in late imperial society, often initially offered the tradesman some advantage to lure him into their trap. Businessmen in debt to others also posed a threat to the merchant-reader. They might try to trick the merchant to get money from him to cover their debts. The disciplined merchant would naturally be able to resist the blandishments of such people.

The manuals disagree about the possibility of retrieving a bad debt. *Essentials for Travelers* states that once customers renege on a debt, even if one curses or sues them, in the end nothing can be done to retrieve the money. It also mentions, somewhat inconsistently, that when the tradesman first attempts to collect a debt, he must get down to business immediately and avoid small talk. Otherwise the debtor might think that he is in no hurry to get his money back. According to Arthur H. Smith, anyone trying to collect a debt in late Qing China inevitably met with delay: “No one expects to collect his debt at the time that he applies for it, and he is not disappointed; but he is told most positively that he will get it next time, and the next, and the next.”<sup>46</sup> *Essential Business*, nevertheless, remains undaunted by this prospect and provides its reader with an elaborate procedure to follow in retrieving a debt:

The first time, ask him for the money. The second time, apply pressure to him. The third time, make a scene. The fourth time, go to his home and pester him for the money. If he says that he cannot make payments today, but on the day after, then go along with him. When the day arrives, go to his house and demand the money. [If] he still does not have it and uses other words to make excuses that he cannot make the payment [and] then says he can repay the money in five days and definitely not fail, [then] when the fifth day comes and he still has not paid, do not be concerned. [If] he says he has to delay payment for another month and asks you to be flexible and [promises] that he will not break his word, you say there is no problem. Agree to the month delay, but ask on what day you should come to receive payment. [If] he only says at the beginning of the month, you must press for an exact day because the beginning of the month is too vague. . . . Wait until that date arrives. You must go to his house

to demand the money. Even if there is very bad weather, you must still go and not allow him to make excuses.

Put the squeeze on him step by step, only then will he make an effort to return the money.<sup>47</sup>

The author advises the tradesman to continue in this same fashion until the debtor presumably tires of resisting and finally returns the money. The tradesman's serious devotion to duty instilled in him during his early education prepares him for the perseverance needed in this task. Here again the tradesman is also advised to take character into consideration. If the person in debt is of good character and cares about his reputation and genuinely cannot meet his financial obligations, the tradesman must not press him too hard for fear he will resort to drastic measures such as suicide, again the weapon of last resort for the weak and disadvantaged of late imperial China. This last point coincides with the views of Shi Chengjin, the author of the *Quanjiaobao* morality book, who warns lenders to take the individual circumstances of borrowers into account and not to drive them to extremes. Although morality books frequently discuss circumstances under which a debt should be remitted and the amounts of merit to be obtained by doing so, the manual authors do not mention debt remission. Poverty, if anything, was a reason not to loan money or extend credit in the first place.<sup>48</sup> Although the Qing Code had provisions on debt, the author does not mention them.

When the merchant or tradesman himself has to buy goods on credit or borrow money, the author of *Essentials for Travelers* urges him to allow himself sufficient time to return the money and to make good on all debts. The author's concern with this issue is pragmatic rather than moral, for several reasons. First, in certain areas of Qing China on the second and sixteenth of every month, wholesale dealers sent their clerks or servants to present merchants with a bill for goods purchased.<sup>49</sup> If a merchant's payments were late, then his creditor might confront him in a public place and his reputation would be harmed almost beyond repair. Second, if a merchant did not repay a current loan, he would be unable to borrow money or obtain credit in the future. Both of these circumstances could be fatally damaging in the commercialized economy of the late imperial period. The author also pragmatically suggests that if the reader found himself in a desperate financial situation, as often happened when doing business in a distant place, and had to borrow money,



then he should add to the original sum upon returning it. The lender would then be willing to lend money to him again when he urgently needed it. The manual authors do not mention the pressure to clear up debts by the beginning of the new year, but failure to follow this time-honored practice would certainly have alienated the community and adversely affected a merchant's reputation.

The authors imply that credit could usually be obtained from a business associate, a store, or a restaurant, but they do not mention anything about borrowing money from a bank (*qianzhuang*). Banks during the Qing period could confiscate the goods of a merchant in debt and sell them<sup>50</sup>—another good reason to clear one's debts.

The author of *Essential Business* links borrowing money to vanity and bankruptcy. He warns his readers not to borrow merely for the sake of appearance (for example, for capital to expand the business to enhance the owner's reputation). He notes that shopkeepers who frivolously expand their firms often take on more business than they can possibly handle. Once they become overextended, their creditors, realizing they are in a difficult state, come around and make trouble.

The essays discussed here indicate that borrowing money and credit were important issues and realities in the economic life of both the shopkeeper and the traveling merchant during the late imperial period. The economic actors apparently did not have to rely entirely, if at all, on banks and other lending institutions to finance their transactions. The authors, however, were not as comfortable as the actual merchants with the idea of extending credit and approached the subject cautiously. They viewed credit not as a way of expanding business or enhancing profits but as a necessary evil from which the tradesman had to protect himself.

The merchant manual authors show no knowledge of any instrument such as the *contratto di commenda*, a financial device used by merchants in early modern Europe to lend money to other merchants setting out on a business trip. If the trip was successful, the lenders were rewarded with three-quarters of any profit.<sup>51</sup> However, we do have evidence of this kind of use of capital in the Song and Ming periods. The manual authors most likely avoided discussing contractual obligations or assumed their mid-level merchant-readers did not have access to the large amounts of capital necessary to engage in such practices.<sup>52</sup>

The merchant manuals instead stress the familiar themes of moral training, self-discipline, devotion to duty, and distinguishing good people from bad. Borrowing is largely viewed as a risk rather than as an opportunity for profit.

Their conservative position on lending and borrowing money was of course not entirely unreasonable. As Braudel notes about early modern Europe, "The shopkeeper then, a capitalist in a very small way, lived between those who owed him money and those to whom he owed it. It was a precarious sort of living, and one always on the verge of disaster."<sup>53</sup> Shopkeepers in late imperial China lived equally precariously. It is instructive to note a wealthy Fujian merchant's explanation for the failure of one of his stores, which was due to "misappropriations by the Lu family and the debts of employees and customers, with too many expenses and insufficient business, [so that] the goods and capital were completely depleted [while] various [suppliers] were still owed for the clearance of several items."<sup>54</sup>

Pragmatism rather than morality justified the authors' reservations about credit. They may not have been adventurous, yet they were still hardened businessmen—to the extent of urging their readers to be hardhearted and not to extend credit to the poor or to those who had previously reneged on their debts. This rigid position differed sharply from that of the morality book authors.

The author of one early Qing morality book revealed his ignorance of economic matters when he urged the merchant-reader not to incur debt.<sup>55</sup> This injunction was patently ridiculous at this stage of China's economic development. The other morality book authors for the most part acknowledged that credit was a reality, and essayed to protect the poor and keep the commercial economy stable. Their fear that the poor might become vagabonds and disturb the social order demonstrates that their concern for the downtrodden was not simply altruistic.

The rules for dealers and tradesmen in the nineteenth-century (originally seventeenth-century) morality book *Meritorious Deeds at No Cost* urge the reader to forget about the difference if a customer is slightly short when returning a small sum. The merchant manual authors offer no such advice. As mentioned above, although the "Rules for Exchanging Wealth" in the eighteenth-century morality book the *Quanjiaobao* counsel the tradesman to take into consideration the impoverished circumstances of the debtor, the manuals do not offer similar counsel. The *Quanjiaobao* reminds the reader who

himself buys goods on credit of the difficulty of doing business and urges him to repay his loan, suggesting that the reader will have no peace until the debt is settled.<sup>56</sup> The merchant manual authors, for their own practical reasons, do agree with this last piece of advice.

### *Currency*

The merchant manuals provide abundant advice to tradesmen on how to conduct business successfully in a commercial economy lacking a standardized currency. *Essential Business* devoted the most space to this issue. The authors of *Essentials for Tradesmen* and *Essentials for Travelers* do not discuss silver, but a separate work, the *Bian-yin yaopu* (Manual on the Essentials of Distinguishing Silver), is included in *The Merchant's Guide*.

Copper and silver currencies were employed during the Qing dynasty. The government minted coins and licensed firms to cast silver ingots with stamps certifying their weight and quality. Copper coins were usually used for retail transactions and silver for wholesale transactions. *Essential Business* suggests, however, that silver ingots, apparently of varying size, weight, and quality, were used as a medium of exchange in the shops of petty merchants. Government efforts do not seem to have been effective in regulating the use of nonstandard or counterfeit currency.<sup>57</sup>

Two of the primary responsibilities of a clerk or a shop owner were to weigh and assess the quality of the customer's silver. In *The Golden Lotus*, one clerk in a shop has been specifically assigned to "check and test the silver."<sup>58</sup> The person working behind the counter had to demonstrate agility, concentration, care, and sternness in the pursuit of these tasks.

Qing dynasty shops used two basic kinds of scales, one larger than the other. In handling either scale, it was important to keep it steady and not allow it to slip or bob up and down, a task which, according to *Essential Business*, required a certain amount of agility. The reader was urged to measure the silver twice before reporting to the customer. If the weight of the silver fell between two markings, it was deemed best to give the exact weight rather than lazily round off the sum and thereby provoke a complaint from the customer, who undoubtedly would know the exact worth of his silver in the marketplace. Accuracy was then highly valued in the task of weighing. The tradesman was urged to "check and re-check, calculate and recalcu-

late. The transaction should be very clearcut and the circumstances exact. [He] absolutely must not approach the matter in a careless and stupid fashion.”<sup>59</sup>

Despite this stress on accuracy, the author of *Essential Business* instructs the tradesman to weigh his customer’s silver a little lighter and his own a little heavier. In case his readers raise an eyebrow about this seemingly dishonest advice, he brushes it off by claiming that it is simply the way of business and not something unconscionable. The issue was apparently considered insignificant as the author did not return to his trusted theme of the decline of public morality to justify his deviance from accepted morality. The widespread acceptance of this petty cheating is illustrated in the *The Golden Lotus* when the store owner’s wife says to the clerks, “You wouldn’t be working here if you didn’t hope to make a little for yourself now and then.”<sup>60</sup>

The scales and measuring practices of merchants and tradesmen exercised the authors of the morality books to no small degree. The rules for dealers and merchants in *Meritorious Deeds at No Cost* advise the reader not to use a short measure when selling and a long measure when buying. The manual’s advice seems to have given the tradesman the license to do just that. The “Thirty-six Virtues for the Merchant” has a similar message about not tampering with the scale. One of the stories in the *Meritorious Deeds at No Cost* compilation, taken from the *Treatise of the Exalted One on Moral Retribution*, describes how businessmen who used unequal measures, despite their attempts to hide, were destroyed by Heaven. In a similar story from the same collection, the dogs of a man who used false measures were destroyed by lightning as a warning. Afterward, the man does not dare use the measures again.

Another story in the same collection purportedly takes place during the Wanli period (1573–1620) of the Ming and involves a shopkeeper from the thriving commercial city of Yangzhou who brings prosperity to his family through the use of a rigged scale. He is punished for his cheating by the premature death of his two grandsons.<sup>61</sup> The “Rules for Exchanging Wealth” in the eighteenth-century *Quanjiabao* accord ten merits to those who use fair measurements. The merchant manual authors did not countenance the use of rigged scales. All accounts of commerce in the late imperial period, however, indicate that many merchants did use two sets of scales.

Equally important was the tradesman’s ability to assess the qual-

ity of his customer's silver. Isabella Bird noted with great annoyance the amount of time Chinese clerks spent evaluating her silver. The manual authors instructed their readers in the technical knowledge necessary for the assaying. Suffice it to say that the color, the markings, and whether or not the silver had a heavy side or edge all aided the tradesman in his evaluation.

In a normal transaction, the silver would be evaluated. If it was as pure as the customer claimed, then there would be no need for discussion and the deal could be duly concluded. The tradesman was counseled to wait before cutting open the silver, however, in the event the customer returned and wanted his money back.

If a customer's silver was not as pure as he or she claimed, then the clerk or shopowner was supposed to ask the customer for the difference. If it was of greater purity, then he was advised to return the difference. If the customer gave him copper instead of silver, the tradesman was not to tell him this directly, but instead suggest that the quality of the silver was not quite up to standard. The customer would then take the hint and avoid an embarrassing scene. If, contrary to expectation, the customer insisted that his currency was silver, the reader was to offer to cut the ingot open in front of the customer. A *Sanyan* story contains this very scenario:

The clerk took the silver in his hand and looked at it. Turning it over, he asked, "Where does this silver come from?" Jiang Deli responded, "From doing business." The clerk replied, "Someone cheated you. This is false silver. The outside is indeed silver but it is only a thin veneer. Inside is lead and iron." Jiang Deli did not believe it and wanted him to open it. . . . The clerk cut open a little hole, split open the skin, and exposed the false goods inside.<sup>62</sup>

The 1900 Shanghai edition of *Essential Business* contains an essay (not included in the 1854 edition) on the influx of foreign money into the Jiangnan area. The author warns the reader that assessing this money requires a specialist in the money profession (*qianye zhuanmen*) and that he had better employ the services of an expert rather than risk handling it on his own.

*Essential Business* also tries to prepare its readers for any deviations from the normal procedures discussed above. When a customer has his silver weighed, takes it away, and then returns again desiring to make a purchase, the author warns the reader to reweigh

and reevaluate the silver. He points out that the customer will inevitably raise a storm of protest and demand to know why his silver has to be weighed again. The reader is urged to be severe in the face of these protests and inform the customer that no exchange has yet taken place and that the reweighing will protect them from mistakes. The reader is also warned about people who might enter the store with imperfect silver during the evening hours so that the impurity cannot be detected under the unsteady light of a lamp. These people, to gain the trust of the clerk, will hand over the bag of silver and ask him to handle the silver and weigh it himself. The author's warning, however, is not accompanied by any precise advice on how to deal with such people. Arthur H. Smith suggests the proper conduct: "The very fact that a customer . . . wishes to sell silver after dark is of itself suspicious, and it will not be surprising if every shop in the city should successively impart the sage advice to wait till tomorrow."<sup>63</sup>

The manual author attempts to reassure his reader that such careful behavior is not unbecoming by observing that even a gentleman (*junzi*) would not be embarrassed to take such precautions. "Men today," he notes, "have human faces but the hearts of wild beasts."<sup>64</sup> In a degenerate age, he implies, not even a gentleman could live by all the standards of behavior set by the classical Confucian philosophers. The commercial apprentice, therefore, need not feel ashamed making these concessions to the times. Here again, the early character training the apprentice received would prove invaluable. A weak-willed tradesman might be likely to retreat in the face of a customer's verbal barrage. The author of *Essential Business* does not advise his readers, as does the author of *Essential Pawnbroking*, to fetch the local constable to warn customers who bring in copper instead of silver. The apprentice, instead, should be trained to evaluate the quality of silver and recognize the scams of confidence men.

Similarly, the person behind the counter was not to presume upon the honesty of friends and familiar customers. As with all others, their money or silver had to be weighed or counted. If there was too much, it had to be returned. If there was too little, more had to be requested. The author of *Essential Business* relates a story, a common device in the manual, to illustrate this point. A shop owner accepted for deposit a bag of silver without inspection from a man whom he considered to be an old friend. When the man came back a month

later to reclaim the silver, the shop owner discovered that although it was wrapped to look like a tael of silver, it was in fact only four hundred copper coins. Each side blamed the other, and the dispute seems to have continued to the time of the writing of the manual. The shop owner should have opened the bag of silver, inspected the contents, authenticated the value in front of the man, and then wrapped up the silver and signed his own name on the wrapping paper.

The morality books worried more about the merchants' than the public's use of false silver. The *Quanjia bao*, for example, accorded one hundred demerits to merchants who knowingly used false silver or sold faulty products. Although the merchant manual authors are silent on the subject of merchant fraud, they would no doubt have judged that in the long run such practices were bad for business and should be avoided.

A considerable part of the apprentice's training was devoted to acquiring knowledge that would have been unnecessary in an economy with a standardized currency. Equipped with this knowledge, however, the shopkeeper could protect himself reasonably well from the untoward consequences associated with the lack of standardization. The attention given to the handling of silver may be surprising given the lack of information on important commercial subjects such as accounting or the use of the abacus. Actually, all of the manuals stress the importance of accounting and the use of the abacus but do not provide detailed instruction. This information was no doubt learned by the apprentice elsewhere, most likely on the job or from specialized guidebooks.

The authors do offer, however, a number of reasons for keeping accurate accounts. The author of the *Solutions for Merchants* warns his reader not to delude himself that he can remember everything in his head. Inevitably, he will become preoccupied with other matters, forget the original information, and become involved in a misunderstanding or even a quarrel with a customer (something that must be avoided at all costs).<sup>65</sup> Along with the author of *Essentials for Travelers*, he suggests that diligence in writing down accounts helps the reader measure his expenditures against his income. The first essay in the second volume of *The Merchant's Guide* proposes that accounts that are "intelligible without mistakes and without discrepancies" help business partners avoid potential conflict. The author of

*Essential Business* also warns his readers not to delude themselves into believing that they can remember every transaction they have carried out. He stresses the importance of not recording too much information in one entry and of keeping clear accounts. This book-keeping advice found in the manuals further discredits the thesis of early Western scholars of China that Chinese shopkeepers found accounting unnecessary.<sup>66</sup>



## 7 TRAVEL AND CRIME



Mobility increased over the course of the late imperial period as peasants opened new farmlands, devotees embarked on religious pilgrimages, and students journeyed to take the civil service examinations. Travel for commercial purposes also increased as merchants journeyed hither and yon in search of new sources of profit. Their destination was often the market town, which functioned both as a transportation hub and as a gateway into rural markets or villages where they could buy agricultural products. The literary form of the merchant manual in part evolved naturally from the route guides that were written during the late Ming dynasty.<sup>1</sup> These guides were for traveling merchants doing business in unfamiliar regions and provided detailed advice on everything from trivial matters, such as the dangers of smoking in bed, to the major decisions facing a businessman. Consequently, in the merchant manuals the travel information represents the biggest single category of technical information. Because criminals and swindlers were an intimate part of the landscape the mid-level merchants crossed in pursuit of profits, the merchant-authors mixed their discussions of travel with frequent references to crime, and the two issues are discussed together here.<sup>2</sup> In considering the issues of travel and crime, the merchant-authors invoked the merchants' early education to help them protect themselves.

### *Preparations*

The traveling merchant is advised to begin preparations for his journey several days in advance of his actual departure. First he must count out the money he will use as trading capital and then sew it into his clothing. If he chooses instead to carry his money in a

money pouch, he is advised to select a small one that will not attract attention. Next he must begin gathering together all of the supplies necessary for his journey. The numerous items—which included bedding, blankets, an oil cloth, chopsticks, plates, a scale, ledgers, planning books, writing materials, clothing for warm and cold weather, a rice bucket, an umbrella, locks, metal hooks, and a com-mode—suggest that the merchant's goal of remaining inconspicuous was one not easily achieved. Merchants who deal in specific goods, such as sundries, drugs, or grain, are given advice on what to take with them to ply their trade successfully. Oddly, the manuals do not address the actual goods to be sold or how to pack or transport them. Perhaps this information was considered too obvious or too specific for a book intended for merchants in general.

All of the assembled items had to fit into one or two small, wooden trunks. Large trunks made of reddish-brown animal skin indicated that the owner was an official or a prosperous merchant and would attract unwanted attention. Their use was therefore to be avoided. Some Qing dynasty travelers also brought along a small trunk containing food (*ganliang*, or dry provisions) that could be eaten if a suitable inn could not be found.<sup>3</sup>

If the merchant's journey was to take him to unfamiliar places, he would most likely include a route guide among his supplies. Traveling clothes were also to be chosen with care. Expensive-looking clothes would make him a target of the highwaymen and river pirates who preyed upon wealthy travelers. Plain clothing should thus be worn for both convenience and safety. But merchants were also advised not to dress too drably, which would be inappropriate to their status. These sentiments on proper sartorial style echo those expressed by the merchant-authors in their discussion of brokers. Frugality, it seems, could be taken too far. The mid-level merchant had to maintain a certain reputation for respectability and reliability if he was to do business successfully.

The man setting out on business in a *Sanyan* story prepared for his trip in a somewhat simpler manner. In addition to his clothing, sleeping bag, umbrella, and hemp sandals, he packed *ganliang* in a waist-bag and placed his money in a small pouch. Before departing he instructed his wife to be vigilant in his absence.<sup>4</sup>

When possible, the merchant is advised to travel in the safety of a group and to seek compatible and trustworthy companions to accompany him on his journey. Group consensus was highly prized

among these little bands of merchants traveling the roads and waterways of Qing China. They knew that “fondness of superiority and competition for high position” among the group members would bring losses to all concerned.<sup>5</sup> This observation fits in well with the manual authors’ general strategy of keeping in mind the overall, long-term picture instead of thoughtlessly taking advantage of every opportunity for immediate profit without considering the consequences.

Events on the eve of the merchant’s departure again raise the question of proper ceremony. The author of *Essentials for Tradesmen* opens his discussion of this question by noting that celebrations on the merchant’s departure and return mark the kindest treatment that clansmen, relatives, and friends could offer to him. We learn from one of the *Sanyan* stories, for example, that custom in Suzhou demanded the household prepare a “banquet for prosperous trade” (*lishifan*) before the merchant embarked on his business trip.<sup>6</sup> The merchant manuals, however, caution that these kinds of celebrations are subject to abuse as well. Although they were fitting for an educated man who has taken the civil service examination or for an elder returning home, they were inappropriate for young merchants (younger brothers and sons) who frequently went on business trips. This notion fully endorsed the Confucian sense of social hierarchy in which large banquets were appropriate only for older, more distinguished people.

The manuals raise a number of objections to this practice. Grand celebrations caused great expense for all, as the traveling merchant, feted upon his departure, had to reciprocate by distributing gifts upon his return. In the end, however, these indulgences merely satisfied the sensual appetites of those involved without serving any useful purpose. Moreover, the celebrants often made auspicious speeches assuring the merchant of the large sums of money he would earn on his trip, but in fact business trips were not always successful. The merchant who returned without gain would feel ashamed to face those who gave him the departing banquet.

Instead of such banquets, the manuals offer a more practical and frugal course. The merchant is advised to arrange for relatives to take care of his family affairs while he is away. In return, he should do favors for them in the various towns and cities he visits. This reciprocal arrangement was the best way to demonstrate “abundant feelings and beautiful intentions,” and it allowed both sides to derive

benefit from the exchange without feeling ashamed because of the obligations of hospitality to the other. Although the author shows his orthodoxy by advocating respect for the educated and elderly over the young, he does seem to consider practicality as the basis of human feelings and disdains ceremony that has no pragmatic use. Nevertheless, the author, by using the terms “abundant feelings and beautiful intentions,” indicates he is not ready to reduce relationships to mere utility. Even if it involves a relationship between relatives, good *renqing* is still important.

This practical and frugal attitude toward ceremonies and celebrations might tempt the scholar of popular culture to speculate about the “sprouts” of a pragmatic merchant ethos. However, even some elite clan regulations during the Qing encouraged their members to be frugal during ceremonies such as funerals.<sup>7</sup> The concept of frugality is also found in Chinese philosophical discourse since the time of Mo Zi, who flourished around the latter half of the fifth century B.C.

Notably, the manual authors, in keeping with their overall rational attitude, make no mention in the actual text of choosing an auspicious day on which to begin a business trip.<sup>8</sup> However, most of the merchant characters in the *Sanyan* stories did not embark on a journey without choosing an auspicious day. In the previously mentioned story the Suzhou merchant also makes sacrifices to the gods of wealth (*wulu dashen*) before starting out.<sup>9</sup> At least one of the characters in the *Sanyan* stories, however, seems to have shared the rational outlook of the merchant-authors. When asked if he would choose a good day on which to depart on his business trip, this amateur merchant replies, “When I go out to do business, then that is a good day. What need is there to further choose?”<sup>10</sup> Again we should remember that this fictional character was not a merchant by trade but a servant setting out to make money for his master.

Moreover, little is said in the manuals about the length of a business trip. In the well-known “ancient” lament (*gufeng*) on the life of the traveling merchant, the merchant is supposedly away from home from one to three years. The Suzhou prefectural gazetteer also notes that trips last for several years. The *Sanyan* stories, however, indicate a considerably shorter period of time. One merchant character is away for six months a year. Most trips seem to have begun early in the year, perhaps just after the New Year festival, and to have concluded toward the end of the year, perhaps around late autumn. The

exact time for beginning the trip may have been determined by the weather as well as by ritual concerns. As one *Sanyan* character says, "This year's spring winds are mild. It is just right to travel about doing business."<sup>11</sup>

Before discussing the authors' advice on the business trip itself, a brief description of the land and water routes of Qing China will better enable us to envision a merchant's journey. As the advice in these manuals was meant for as broad a range of merchants as possible, a consideration of the whole empire is in order. Major roads known as *guanlu* connected the capital at Beijing with major cities in the provinces. Lesser roads known as *dalu* connected the major provincial cities with certain prefectural cities. Smaller roads joined county-level cities and towns. All roads were open to private citizens, who traveled them either on foot or by horse. The major water routes of the Grand Canal (connecting the capital with the country's "rice" basket, Central China) and the Yangzi River were supplemented by smaller waterways that facilitated the movement of goods and travelers both between the cities and the rural hinterlands and within the confines of a single county.<sup>12</sup>

### *Land Travel*

By all accounts, the waterways were far superior for traveling to the roadways, which were often muddy and in poor repair. Abbé Huc, the French monk who traveled the Chinese countryside in the mid-nineteenth century, described the roadways in this fashion: "In the neighborhood of the great towns the roads are sufficiently wide, but by degrees as you advance they grow narrower, till at last they sometimes vanish altogether. Then the travelers make their way wherever they can, through fields, quagmire and rocky barren tracks."<sup>13</sup> Another foreign observer wrote in the late nineteenth century: "Otherwise the roads as they exist are merely the customary tracks from one town or village to another, are never macadamized, and follow all the natural irregularities of the surface. They are never bounded by fences, are generally undrained, and when proceeding through level plains, are entirely undefined."<sup>14</sup> The government undertook road construction or repairs only rarely, and it is easy to understand why merchants preferred to travel by boat. The manuals, probably assuming prior knowledge on the part of the reader, do not mention any of the physical aspects of the Qing dynasty roadways.

Ironically, modern scholars have concentrated on the quality of the means of transportation, but the manual authors concentrated almost exclusively on the problem of safety on the highways and waterways. As nothing is specifically said about the means of transportation on land, it must be assumed that the merchants used the means available at the time: they walked, were carried in sedan chairs or wheelbarrows, or—as suggested in one of the *Sanyan* stories—rode a horse or mule when forced by circumstances to travel by road.<sup>15</sup>

Once under way, the group of traveling merchants is advised to travel as quickly as possible. The sooner they arrive at their destination, the less the chance of meeting with misfortune. This emphasis on speed is matched only by the emphasis on caution. “Caution is the fundamental principle” is the traveling motto of the manual authors.<sup>16</sup> Speed, however, did have its limits. The authors warn merchants never to travel on days that were either exceptionally hot or exceptionally cold. They feared that if a merchant tried to save a few days of traveling time, the extreme temperatures would make the merchant ill and cause him to collapse in the middle of the road. A nineteenth-century English traveler’s account of his difficulties in getting his porters to travel in the cold rain indicates that Chinese travelers probably adhered to this kind of advice.<sup>17</sup> It was, after all, better to arrive a few days late than not to arrive at all. The authors also indicate that the merchant may occasionally risk traveling at night, but only if he is in the company of a healthy number of fellow travelers; night travel in general is not encouraged.

Although the authors do not discuss the distances traveled, a Western reporter met a Chinese tea merchant on the road in the 1940s who easily covered forty miles a day. The merchant carried only an umbrella and a small bag, while porters followed somewhere behind with his luggage.<sup>18</sup>

Stops at the tea and rest houses situated every so often along the road relieved the monotony of land travel in late imperial China. The latter, built by charitable individuals, were located next to small shrines to local dieties, where the traveler often prayed or burnt incense. Isabella Bird describes in detail the charitable activities people engaged in to help travelers:

Some build sheds over roads, and provide them with seats for weary travelers; others make a road over a difficult pass, or build a bridge,

or provide a free ferry for the poor and their cattle. A few men club together to provide free soup and tea for travelers, and erect a shed, putting in an old widow to keep the water boiling; or two or three priests, with the avowed object of securing merit, do the same thing at a temple; others provide seats for wayfarers on a steep hill. Some provide lamps glazed with thin layers of oyster shells fitted into a wooden framework, and either hang them from posts or fit them into recesses in pillars to warn travelers by night of dangerous places on the road.<sup>19</sup>

Despite their concern with speed, traveling merchants did stop occasionally at these kinds of places to rest and restore their energy. Even quickly moving merchants at the least had to stop to eat. If the group, lacking supplies of their own, had to buy food and drink while traveling, the manual authors urged them to spend as little money as possible. Food that was too hot or too cold was also to be avoided. These extremes upset the balance of *qi* in the body.

Great caution is urged in the selection of a place to spend the night. Only inns that have a large number of guests and rooms of good quality are acceptable. The reader is warned to watch out for the other guests at the inn, even those from the same hometown. Bird provides us with this vivid description of inns in western China during the late nineteenth century: "Some of these inns accommodate over 200 travellers, with their baggage. Every room is full, and between money-changing, eating, 'sing-song,' and gambling, and half-naked waiters rushing about with small trays, and numbers of men all shouting together, it is pretty lively."<sup>20</sup> The merchant, according to the manual authors, is to sleep with one eye open, ever fearful that someone might enter his room in the middle of the night and steal his money. Bird claims that the doors in Chinese inns had strong wooden bolts.<sup>21</sup> In the Pu Songling story "Lazy Wang," however, a man on a business trip is robbed during the night at an inn.<sup>22</sup>

The innkeeper himself was someone whom the merchants treated with respect and did not want to cross.<sup>23</sup> An innkeeper could help the merchant with the hiring of porters, provide advice on local business conditions, store goods, and arrange meetings with local brokers.<sup>24</sup> In fact, brokers themselves ran inns to ensure a steady rate of profit.<sup>25</sup> The merchants in *The Golden Lotus* frequently stored their merchandise in inns when on business trips. These inns of late imperial China resembled the inns of seventeenth-century England, act-

ing as the “hub of commercial activity.”<sup>26</sup> Although the merchant is encouraged to retire early, he nevertheless is urged to leave the inn late the next morning so as to enjoy the safety of traveling with the other departing guests.

The merchant manuals were by no means overcautious. The land routes of Qing China were fraught with danger. Huang Liuhong explains in his magistrate’s manual that bandits had excellent intelligence and that their ability to evade the law was “almost unbelievable.”<sup>27</sup> The manual authors tell numerous cautionary tales about the hazards to be encountered traveling the empire’s highways. Although the stories were used for the edification of apprentices and may have exaggerated actual circumstances, their number and variety suggest the hardships and desperation that people faced just to survive as the population increased during the eighteenth century and the competition for scarce resources drove many people to a life of crime. It is not surprising that elite essayists and morality book authors constantly pleaded with the people to remain in their own proper occupation. They feared the disruptive effect of vagabonds and bandits on the social order.

Although the company of trusted traveling companions was desirable, the authors warn that it would not guarantee the merchant’s safety and could even be exploited by evil men. When the group walked together on the street late at night, they were to be careful not to address each other by their proper names. Fearing strangers lurking in the shadows, they were merely to inquire, “Are you coming?” and their companions were to reply, “I’m coming.” Although these amateur cloak-and-dagger precautions may seem a bit comical today, the dangers they addressed must have been real enough. Presumably, the travelers feared that bandits would use their proper names to gain their confidence and rob them.<sup>28</sup>

In the course of travel, merchants apparently often met with men who claimed to be their fellow townsmen. The manuals warn the reader to exercise caution when dealing with these men; the roads and waterways were filled with clever con men posing as the fellow townsmen of people they might meet. Arthur H. Smith also found con men to be a real problem: “A countryman who meets others will be examined by them as to his abode and its distance from a great number of other places, as if to make sure that he is not deceiving them.”<sup>29</sup> These imposters were so clever that they took the trouble to learn several different local dialects and used them as needed.



According to Smith, these men would be scrutinized closely to detect even minor differences in dialect.<sup>30</sup> One of the Ming guide-books claims that con men might typically speak knowledgeably about local affairs to gain the merchant's confidence, their guile knowing no bounds.<sup>31</sup> An inexperienced merchant, happy to find someone he could trust, would take these people into his confidence only to be robbed by them on some isolated stretch of the road.<sup>32</sup>

The merchant had to exercise even greater caution when he was forced to travel alone. Petty swindlers abounded and were always ready to take advantage of the greedy or careless sojourner. One apparently well-known trick involved deliberately dropping a moneybag on the ground, presumably in a well-traveled area. An unsuspecting merchant would happen by and pick up the bag to see if it contained any money. The swindler would then slide out from among the shadows claiming that the bag belonged to him. The merchant would have no alternative but to turn the moneybag over to him and thus become ensnared in his trap. The swindler, looking in the bag, would of course claim that money was missing and demand to search the merchant's luggage for it. Again the merchant would have to relent. In the course of this investigation the swindler would steal some of the merchant's money or replace the goods the merchant had been carrying with stones.<sup>33</sup> Once again we see the importance of the self-discipline instilled during the merchant's early education to eschew petty profitmaking and temporary gain.

When traveling with his goods, the hiring of porters also presented serious problems for the traveling merchant. Many stories can be found in the manuals about dishonest porters who absconded with the goods of a merchant when an opportunity presented itself. According to the authors, there was very little that the merchant could do about thieving porters, so preventive measures assumed great importance. Qing dynasty merchants could, of course, petition their local government about such problems. The manual authors, however, concentrate on preventing mishaps by taking precautions and cultivating the merchant's personality rather than by resorting to legal measures.

The authors advocate hiring porters through the inn where the merchant spends the night or through a kind of porters organization or guild. This instruction is one of the few exceptions to the authors' emphasis on self-reliance, but the merchant's ability to foster good personal relations would obviously come into play. The inn or the

organization would presumably provide relatively trustworthy porters as the authors urge the merchant to pay either institution a fee that is above the mere cost of labor. Although people who wanted their goods transported often drew up contracts with porters on either a per diem or a per distance basis, the manual authors do not mention these contracts.<sup>34</sup>

Before starting out, the merchant is advised to give the inn or guild a list of the silver or other valuables he is carrying. This information may have been helpful in the event of an investigation of a runaway porter. The porter organization or the inn would sometimes provide the merchant with a personal guard as well—a safeguard the manual authors may have preferred as they did not have much faith in an organization's or the government's investigation of fugitive porters.<sup>35</sup>

When the merchant does have to travel alone with porters, the authors advise him to take several precautions. He is never to let a porter carry his silver and is to keep a sharp eye on his luggage and goods. If he harbors even the slightest suspicion of theft, he is to open his trunks and check the contents.<sup>36</sup>

A port would often be as many as ten *li* (three or four miles) from the traveler's final destination, and the merchant naturally would not be able to carry his luggage and goods by himself. In this situation, he is advised either to confer with the captain or to have the owner of the store he is dealing with send porters to the boat.<sup>37</sup> Having long-established relationships in various ports would obviously serve the merchant well in such situations. Some of the warehouses where merchants stored their goods might also have had porters that arriving merchants could hire, although the authors make no mention of them. Again the authors advise the merchant to seek the help of an established organization, even if that meant paying higher prices.

### *Water Travel*

Judging by the ease and low cost (perhaps a third to a fifth less than land travel) of water travel, the traveling merchant and his companions in both Central and South China probably spent more time traveling by boat than by foot.<sup>38</sup> Before embarking, however, the manuals encourage the merchant to devote much time to selecting a suitable boat. In one *Sanyan* story, the characters carefully inspect the interiors of several boats before choosing one that appears

cared for properly.<sup>39</sup> A family instruction, moreover, advises the merchant-reader to inspect a boat's interior to make sure that the boat is not carrying contraband, suggesting that if the illegal goods are discovered the merchant will also be implicated.<sup>40</sup>

The size of boats used in China during the late Qing period ranged from small sampans that could carry as much as a medium-size cart to large junks up to seventy tons.<sup>41</sup> A boat had to be seaworthy, properly equipped, and able to carry a full complement of affable and healthy deckhands. Merchants were also cautioned to select a boat that was nearly loaded when they arrived. The captain whose boat was empty or only partially full would be forced to wait for other passengers, and the merchants would then be delayed. Of course, if everyone had taken this advice to heart, no boats would ever have been loaded and the economy would have ground to a halt!

When loading their own possessions, merchants were never to try to force the captain to take more than the capacity of his boat. They knew that overloaded boats were likely to capsize. The addition of one more item of luggage could never justify the loss of everything. It would seem that common sense would have guided the reader in this case and that the authors really need not have belabored such an obvious point. The authors, however, seemed to have taken their responsibility seriously and felt obligated to cover every detail they could think of concerning certain matters, no matter how trivial. We can compare their concern with the writings of Confucian scholars who placed ritual importance upon seemingly trivial issues when instructing the young. This pedagogical method seems to have influenced the manual authors, at least stylistically. Determining whether the manual authors placed ritual significance upon the teaching or practice of details is more difficult. Despite this attention to detail, it should be noted that the technical knowledge offered to the reader on determining whether or not a boat was seaworthy was somewhat less than that found in a passage in a Ming encyclopedia.<sup>42</sup> This example again demonstrates that the manuals did not comprehensively cover all technical knowledge on any one subject. The reader was expected to learn more information elsewhere.

Once a boat had been chosen, the journey was to begin only when the wind was calm and the river smooth. The merchant is counseled to study the direction of the wind and the color of the sky. If a storm is brewing the best course of action is to wait a few days before leaving. The *Encyclopedia for Gentry and Merchants* warns its

readers not to sail with a captain who is impatient with the weather.<sup>43</sup> Although a merchant may be in a hurry, he is not to try to persuade the captain to set sail in foul weather. The fear of calamity outweighs the desire to save a few days' traveling time, which of course is entirely consistent with the authors' overall philosophy.<sup>44</sup> Boat captains during the late imperial period, at least in Fujian, routinely prayed to the gods or burned incense (*shaole shenfu*) before embarking to ensure a safe trip, a practice described by Justus Doolittle: "The owner or the captain of the junks and smaller boats engaged in carrying produce and passengers to a distance, before reaching their destination most generally has a similiar feasting on good things, offered first to the Sailor's Goddess. The food is then given to the boatmen. The professed object of this sacrifice is to conciliate the favorable regard of the divinity worshipped, securing the vessel against robbers and shipwreck, and causing the voyage to be prosecuted with good winds and to a profitable issue, without sickness and death."<sup>45</sup> The merchant-authors, as might be expected, do not refer to this practice.

Once under way, the little band of merchants has to be extremely careful aboard the boat, for the authors believe the slightest misstep will cost them their lives. Special care has to be taken not to stand at the front of the boat. Readers were advised to wear shoes with cloth soles in good weather and bad. Shoes made of wood or animal skins have little traction and thus are too slippery. Despite these fears, the Suzhou prefectural gazetteer claims that merchants were good swimmers. The manual authors also offer advice on the best way to prepare meals, wash clothes, and even ease nature while on board.

The confines of the boat did not protect the traveling merchants from the declass   types who plagued their daily existence. If the boat was too close to shore, the merchant had to be on the lookout for thieves when drying his clothes on deck. The authors also beseech readers not to allow their fellow passengers to become too familiar with them and to avoid letting even the boatmen know they are merchants. They were to load their possessions themselves for fear the deckhands would test the weight of the luggage and "harbor abnormal intentions." The slightest revelation could result in the loss of all their possessions.

Gambling helped the passengers wile away the time aboard the boat; various accounts, in fact, suggest that gambling was widely engaged in by mid-level merchants. The manual authors warn the

reader not to participate in these games and tell of old merchants who are skilled at gambling and who prey upon young and inexperienced travelers. Taking the youngsters under their wing, these unscrupulous veterans of the commercial world build up their confidence and encourage them to try their luck. The game is of course rigged and at best the young merchant escapes paying only for the food and drink of all the gamblers. The manual authors, however, offer no alternative amusements. Perhaps the merchant was supposed to leaf through his ledgers or read some form of edifying popular literature. At any rate, the self-disciplined merchant would not, as we have seen above, waste his time with idlers or be tempted by petty profit.

When night fell, the traveling merchant locked the door of his cabin but seems to have slept only fitfully. Even at night, the authors caution, his vigilance could not be relaxed. When the boat finally arrived in port, he was to wait for the other passengers to go ashore while he leisurely inspected his luggage. Those inexperienced merchants who struggled to get ashore before the others in the hope of saving a few minutes often left some of their luggage behind. This advice, of course, conforms with the authors' overall philosophy of forgoing temporary or short-term gain.<sup>46</sup>

The authors recount as many stories about the hazards of water travel as they do about land travel. They also provide a wonderfully detailed description of the Qing commercial environment. The measures that the authors offer the reader to deal with these hazards, moreover, are of crucial importance and their significance is discussed below.

River pirates had been known to disguise themselves as merchants and travel together on a boat. An unsuspecting merchant would unknowingly take passage aboard the same vessel. The pirates would gain the confidence of the merchant through talk and enticements. In the course of the journey, however, the boat might make an unscheduled stop at a deserted island and the merchant would be forced to pay a sum of money to these pirates. Of course, an experienced merchant who could quickly judge a man's character and who could not be blinded by greed would not fall into this kind of trap.<sup>47</sup>

The variations on this theme are numerous and testify to the creativity of the people at the margins of Qing society and to the complexity of the ploys that confronted the traveling merchant. Sometimes a small boat containing an "official" would come from

the shore to arrest the passengers of the boat on which the merchant was traveling. The other “merchants” would flee and the real merchant, fearing arrest, would flee with them. Gang members would then abscond with the money and goods the merchant had left behind in his haste to escape. The merchant would be left stranded in some isolated place with no money and no one to help him. The manual author, at the conclusion of the passage, warns the reader to be careful when choosing a boat in a strange place.<sup>48</sup>

Pirates were not the only hazard awaiting those traveling on China’s rivers during the Qing dynasty. The author of the *Encyclopedia for Gentry and Merchants* quotes the “old” saying, “Nine out of ten of the boat’s crew are thieves.” Even the captain was a potential thief, and the merchant had to keep a constant eye on him. The author claims that, just as in other aspects of business, the merchant had to be able to assess the character of a captain and his crew.<sup>49</sup> Fictional accounts inform us that this was no idle worry on the part of the merchant-authors. The plot of one *Sanyan* story centers around the premeditated robbery and murder of a family by a boat captain and his crew. And in *The Golden Lotus* two boatmen make a practice of robbing and murdering their passengers and conspire to murder a merchant.<sup>50</sup>

Another manual author explains to his readers that some of the people who operated passenger boats were lazy and fond of visiting prostitutes and eating big meals. As a result they were unable to perform their jobs properly and would lose a lot of money. Note here the authors’ continuing efforts to connect moral character with economic success or failure. An individual’s economic plight was due solely to defects in his or her character and not to fixed economic circumstances beyond his or her control.

These immoral habits forced the boatmen to borrow money from the boat company they worked for to continue operating their boat. If they persisted in their weakness and were unable to repay this money, then they would resort to threatening their passengers or selling the goods of the passengers illegally in order to meet their payments and thus maintain their source of credit. To cover these strong-arm tactics, the boatmen would sometimes deliberately guide their boat onto some rocks and pretend it was sinking. Goods owned by the passengers would be thrown overboard in an attempt to save the “sinking” boat. The merchant would believe that his goods were lost in the water during the accident. In reality, the boatmen secretly

collected and sold them. Severe financial difficulties sometimes drove these people to even more desperate lengths. If the merchants did not accompany their goods, captains were known to sell most of them beforehand and then sink the boat, allowing a few crates or trunks to bob on the surface to deceive witnesses.<sup>51</sup>

Even without a financial crisis, the captain was not above suspicion. Upon arriving at the port of destination the inexperienced merchant would go ashore to hire a porter to carry his goods. While he was away, the boat captain would sometimes secretly move the boat to a different wharf. Some large ports in late imperial China could accommodate thousands of boats at any one time. The inexperienced merchant, unfamiliar with the port, would be unable to locate the boat and would lose all of his goods and luggage.<sup>52</sup>

These stories clearly demonstrate that although water travel may have been easier and quicker than land travel it was not necessarily safer. The authors believed that once a traveler had been victimized, very little could be done to gain restitution. Opening an investigation with the boat company or going to the local *yamen* were considered useless exercises. This pessimism might puzzle those familiar with the economic history of China. After all, the services of brokers and the contracts of carriage meant to combat these very types of abuses had existed since the Song dynasty.<sup>53</sup> A Ming encyclopedia instructs merchants to employ a broker to determine the reliability and trustworthiness of a boat captain.<sup>54</sup> A shipping broker would have had to make good on any lost merchandise.<sup>55</sup> In addition, even shopkeepers in the Qing dynasty could band together to petition the government about certain problems and fully expect to obtain results. So why do the Qing merchant manuals not tell their readers about these other options?

First, relying upon brokers was not a foolproof method, and brokers frequently cheated merchants during the late imperial period. But more profoundly, and as we have seen, the answer to this question surely lies in the authors' Confucian orientation, which compelled them to look to the man himself, the merchant, for the solution rather than to depend on any sort of legal procedures or contractual devices. The authors sought to prevent the disease rather than cure the patient after he had become ill. Thus the merchant who was self-disciplined, determined, knowledgeable, and conscientious would be able to avoid traps in the first place. Business could be done successfully if enough preparations were made, if enough

caution exercised, and if friendly ties with long-established and trustworthy businessmen and companies could be developed. Thus, if a merchant arrived at an unfamiliar port and did not have established ties or know of a reliable shipping company, then he was to conduct an investigation of the boats in port to determine which was the most reliable. Naturally, he was never to hire the cheapest boat available in order to save a little money but was to pay more to get better, more trustworthy service. Typically, however, the authors do not define in detail what makes a company reliable or trustworthy. Perhaps this more mundane task was left to the master or an experienced merchant. At any rate, the emphasis for the young merchant or apprentice was on avoiding the problem; damage control could be learned later.

### *Crime in Town*

The world described by the authors of these merchant handbooks seethed with crime and peril. Hucksters and confidence men lurked everywhere ready to pounce upon the unwary merchant's first misstep. Nothing or no one could be taken at face value. The "townsman" met on the road, the "official" encountered on the boat, and the "friend" sitting at the gambling table were all posing as something they were not in order to take advantage of the careless traveler. Indeed, we know from many accounts of late imperial China that, because of the emancipation of servile groups in the late sixteenth century, the increased geographic mobility, and the mid-Qing population explosion, the empire abounded with beggars, vagabonds, "idlers," criminals, and con men. William Rowe has described these people in great detail:

In late imperial sources this mobile population was frequently characterized by the expression *wulai*, literally, "having no place to turn." . . . The term's ambiguity blanketed several different, but equally applicable, meanings. Individuals who were *wulai* were "insecure" in that they had no stable means of livelihood. They were also "rootless," men with no popularly accredited social niche. A large percentage of *wulai*—perhaps even the majority—were without family, part of what James Watson has described as modern China's broad "bachelor subculture." They were also . . . "masterless" (*wu-zhuche*). Owing allegiance to no man, without a guarantor or, fre-



quently, even familial responsibilities to impel them to social respectability, *wulai* were flesh-and-blood “hungry ghosts.” Even had their conduct remained exemplary, they were by definition a threat to stable Confucian society, urban as well as rural.<sup>56</sup>

Despite his location in a town or a city, the Ming and Qing shopkeeper, surrounded by a floating population naturally drawn toward commercial establishments, was no safer than the traveling merchant. Beggars would sometimes come to a shop to solicit money and would chant and beg outside.<sup>57</sup> On a more threatening level, men would often come into a store pretending to be customers or traveling merchants trying to sell goods. The “customer” would follow a legitimate customer into the shop so that the clerk or shop owner would think they were together. The “traveling merchant” would say that his goods had not yet arrived and that he must await them at the store. Both hoped their subterfuge would cause enough confusion to allow them to steal some silver.

The author of *Essential Business* advises the shopkeeper to ask those who enter his store their name, their residence, the purpose of their visit, and the name of the people accompanying them. If the visitor claims to be a traveling merchant, the shopkeeper is also to inquire about the route that he took to come to the store, the amount of taxes he had to pay en route, the traveling expenses he laid out, and the current location of the boat with his goods.

Even if the “merchant” is able to provide satisfactory answers, the shopkeeper is still not to let down his guard but to assign an assistant to keep an eye on the “guest.” After all, the author points out, swindlers are articulate. Only when his goods have actually arrived is the shopkeeper to accept him as a legitimate business associate.<sup>58</sup> Here the manual has provided the reader with some specific instructions to determine the nature of those with whom he had to deal. Arthur H. Smith confirms that merchants dealt with potential associates in this cautious and meticulous manner. In the end, it was the merchant’s ability to discern whether someone was good or evil that protected him against crime—an ability instilled in him during his early education.

This ability, along with his moral training and his caution, allowed the good merchant to circumvent preventable crimes. Again the emphasis is on prevention rather than on attempts to obtain redress once a crime has been committed. It is significant, too, that

the merchant manual authors say almost nothing about simple violent crime. If a bandit had a knife at a merchant's throat and was demanding his money, the authors would probably object that the merchant had already made a mistake somewhere and the only thing to be done was to yield the money. The merchant-reader had within his grasp the power to control his own destiny to a large extent. Being the victim of a crime was almost tantamount to personal failure; he had not learned the lessons of his education well enough. Nevertheless, the authors do recognize the possibility that a man can do everything correctly and still fail; in this case fate is against him and little or nothing can be done. Huang Liuhong, himself a magistrate, confirms this emphasis on prevention: "From the viewpoint of the magistrate, it is better to eliminate the causes of theft and robbery before the acts are committed than to apprehend and punish the culprits afterward."<sup>59</sup>

The tradesman did have the option of beating an emergency drum in front of the magistrate's *yamen* to call for help when beset by thugs. Constables, in response to the alarm, would fan out to arrest the criminal. However, in the time it took for the victim to get to the *yamen* and for the constables to mobilize, the criminal would have had time to flee. Moreover, one could be penalized for filing a false complaint, and if the constables were in collusion with the criminals, the criminals might escape and the victim end up punished.<sup>60</sup> It was undoubtedly better to avoid this scenario altogether.

The author of *Essential Pawnbroking* discusses the problem of crime only briefly. He warns that certain silversmiths specialize in making false jewelry and that the person in charge of jewelry in the pawnshop must be able to detect the false from the real, although he does not explain how to do so. (Ironically, the morality book *Meritorious Deeds at No Cost* contains a story, purportedly from the early years of the Kangxi reign (1662–1723), concerning a pawnshop owner who himself took pawned items made of silver and gold and fashioned fakes that could not be distinguished from the real items.) The author of *Essentials for Travelers* cautions his readers that thieves were always seeking information about the interior of a shop and might even attempt to seek help from the owner's servants. He therefore warns the owner to keep the shop locked and to return early if he has to go out. Again, the emphasis here is on the prevention of the crime rather than on what to do once the crime has been committed. The author of *Essentials for Tradesmen* also offers additional informa-

tion to the shopkeeper on the question of crime. He advises his tradesman-reader to open his shop in a tall building with sturdy walls to keep out thieves.

The morality books thought it was much safer to remain at home. Shi Chengjin, in an essay titled "The Bitterness of the Traveling Merchant," although according a useful function to the traveling merchant, describes in detail the hardships he must undergo as he journeys from town to town:

If you travel by day, you must watch out for troubles. If you travel by night, you must watch out for violent people. If you travel by land, you must keep an eye on the porters. If you travel by sea, you must keep an eye on the boatmen. If you cross a ford, you must watch for bad officials who might delay you. If you do business at a market town, you must watch for shop managers who might take your goods without paying for them. When traveling you must endure hunger and nights without shelter. This is too bitter to be described.<sup>61</sup>

This author obviously had a greater understanding of the merchant's experience than earlier morality book authors, and, although he may have encouraged people to stay at home, he was not without sympathy for the merchant. In another essay he warns young and inexperienced merchants not to display their wealth during their travels because they risk the loss not only of the wealth but also of their lives. Again, the author sympathizes with the traveling merchant while at the same time describing the danger of the occupation.

In a later essay, "Do Not Neglect Your Occupation," Shi makes his intentions fully clear: "Although profits may be great when you go out, you must leave your family and property and you will be frightened, terrified, and delayed. . . . If only the four classes were diligent and frugal and accepted their status, they would be satisfied and their families would be taken care of."<sup>62</sup> His familiarity with the merchant experience, obviously a result of his residence in the commercial city of Yangzhou, enabled him to fashion a more sophisticated argument to keep people at home than the obviously outdated threats of lightning bolts and earthquakes. He was not against commerce or traveling merchants per se, rather, he seemed to fear the social disorder that would arise if people from all walks of life began to take advantage of the opportunities presented by a highly commercialized economy. Shi's essays further support the contention of

this study that the merchant manuals were written partially to serve the needs of those turning to commerce in the hopes of bringing wealth to their family in the eighteenth century and to serve people merely bent on survival during the nineteenth and twentieth centuries.

The technical issues considered in these manuals reflect the nature of the economy and commercial enterprise of the time. The ubiquitous use of credit, despite the authors' qualms, indicates a highly commercialized economy. The primary way of doing business successfully in this economy, however, was not to invest one's money in handicrafts or industry but to balance expenditures carefully against income and to exploit sudden changes in the market. Lacking a unified, standardized currency, the future shop owner or clerk had to spend a good portion of his day in the tedious task of weighing and evaluating silver. Lacking a secure economic environment and transportation system, the traveling merchant had to learn to ward off both natural and human hazards. Lacking an effective system of combating crime (exacerbated by a swelling population), both the shopkeeper and the traveling merchant had to learn to protect themselves from criminals whose "wit sometimes surpassed that of the gentleman."

The authors ignore a great number of the contractual and legal devices existing in the Chinese commercial world that might have helped the merchant avoid or deal with problems. The key to success, instead, was to cultivate the self properly in order to avoid problems. Thus, by implication, to encounter trouble indicated a moral failing on the part of the victim. In the eyes of the manual authors, a successful merchant was one who was alert, knowledgeable, self-disciplined, and, above all, cautious. Having cultivated these qualities, he could expect to avoid most crimes and need not get involved with contracts, the law, or the government. Nevertheless, the authors do not hesitate to dispense liberal amounts of technical advice in the text and to add appendices to help merchants protect themselves and conduct their business successfully.

## CONCLUSION: SELF-CULTIVATION IN MID-LEVEL MERCHANT CULTURE



Self-cultivation proved essential to doing business in late imperial China; it allowed all merchants, but especially those without political connections or immense wealth, to conduct their commercial affairs successfully and to present themselves to their community as respectable and responsible gentlemen. These mid-level merchants neither wholly accepted nor wholly rejected elite culture but instead adapted it for their own purposes. The mores and values associated with this approach provided these merchants with a generally realistic and coherent set of guidelines for living in a changing and unsettling world and strengthened their self-esteem, preparing them for battle in an intensely competitive economic environment. This merchant culture, finally, exuded a powerful optimism that allowed the properly educated, self-reliant individual to achieve his goals without necessarily seeking help from any terrestrial or celestial powers. Overall, self-cultivation helps explain not only the success of individual merchants but also the general flourishing of the late imperial commercial world. Merchants did find ways around the forbidding obstacles presented by a minimally regulated economic environment.

Still, many merchants undoubtedly departed from the master plan of the manual authors when circumstances dictated or according to personal predilection. Although the merchant manuals provide us with abundant information, we should not be blinded by them. Rather, we should look at the advice they furnished as being derived from merchant culture and as a general base from which most merchants worked, some wandering farther afield than others. Moreover, the manuals indicate the presence of a socially acceptable but realistic set of ethical norms for mid-level merchants.

*The Confucian Tradition and Economic Development*

The emergence of the merchant practices and values associated with self-cultivation, especially with their reappropriation of Confucian values, raises several important issues concerning the relationship between the Confucian philosophy and social and economic development. On the one hand, Confucian ethics today are widely regarded as “the basic motivating force of East Asian society and economy.”<sup>1</sup> For example, according to Gilbert Rozman, “Japan’s greater success in modernization can be attributed partially to its greater ability to harness Confucian traditions to modern needs.”<sup>2</sup> On the other hand, many scholars in the fifties and sixties readily cited the Confucian tradition as the main cause for the failure of economic development in East Asia, so this issue obviously must be approached with great caution.

The development of merchant culture in the late imperial period helps us to understand why even today we can still find elements that may be identified as Confucian in the East Asian “workplace.” Certain Confucian notions, values, and practices became linked to the commercial world. The Chinese people who belonged to the subordinate classes adhered to these Confucian elements not out of blind or passive loyalty to the “Chinese tradition” but for specific economic, social, and spiritual reasons. As these notions, values, and practices spread to and were modified by the populace at large and as the elite themselves abandoned Confucianism in the twentieth century, they became recognized as proper or even Chinese values rather than specifically Confucian.

Much has been written on Confucianism and its relationship to feudalism and capitalism. Confucian influence on the world of the mid-level merchant did not place “feudal” or “traditional” restraints on the development of a business ethic suitable to changing economic conditions. Nor did it spur the development of a special kind of Confucian capitalism. When the author of one merchant manual defends his advice as being necessary in a “degenerate age,” however, we know that he is not representing a nascent capitalist class proudly trumpeting its readiness to remake the world in its own image.<sup>3</sup> Those who did turn to mid-level commerce behaved cautiously, rejecting the great risk taking and large-scale deal making of the ideal capitalist merchant.

The adjusted Confucian values and emphasis on personal relations adopted by merchants were not dysfunctional in the highly commercialized economy of the late imperial period; they were adapted for the precise purpose of meeting the demands of that economy. This modified Confucianism helped address the needs of a subordinate class faced with intense competition and perched on the precarious middle rungs of an agrarian society that was undergoing commercialization and rapid population growth. It allowed its members to conduct their business endeavors reasonably successfully, which often meant simply surviving, and to contribute to the booming late imperial commercial economy. Although self-cultivation certainly aided the development of this economy, it by no means may be considered the only explanation for that development.

The Chinese and Japanese scholars who have studied the Confucian influences on the mighty Huizhou merchants have shown that these merchants were adversely affected by the great economic changes of the nineteenth century and as a result lost their position as important economic actors. Their point is that the Confucian philosophy had guided them successfully in a "feudal" economy but was no longer relevant when that economy began to dissolve.<sup>4</sup> The world of the mid-level merchant, however, was less affected by the dramatic economic changes of the late nineteenth and the twentieth centuries. Nor was it as affected by the political changes wrought by the 1911 Revolution and the establishment of a republican form of government. The adapted Confucian values of mid-level merchants thus continued to serve them well.

Even as elite merchants were increasingly drawn into the capitalist world system, the culture of the local merchant remained relatively unaffected.<sup>5</sup> The economic worlds of the mid-level merchant during both the late imperial period and the Republican period were essentially similar. The crucial changes that had motivated these merchants to adapt themselves to a more commercialized economy arose during the earlier part of the late imperial period. A parallel can be made with events of the early twentieth century, when members of the subordinate classes were still enjoying the stories and films containing didactic Confucian messages while upper-class intellectuals plunged into the Westernized cultural world of the May Fourth movement.<sup>6</sup> Thus we see strong continuities over the long period of 1550 to 1930 and may conclude that the momentous polit-

ical and economic upheavals brought on by the Opium War and the 1911 Revolution were largely irrelevant to the mid-level merchant. The persistence of Confucian elements or strains into the twentieth century does not indicate the continuing influence of a smothering Chinese tradition; rather, it indicates a rational adaptation to ongoing change.<sup>7</sup>

This study therefore rejects both the argument that the Confucian philosophy crushed the development of a market economy and the argument that it spurred the development of capitalism. Rather, self-cultivation, and its modified Confucian notions and practice, served as a functional philosophy in the special conditions of a commercializing economy minimally regulated by the government and beset by heavy population growth.

Recent scholarship has highlighted the contribution of small family firms to the success of the contemporary Taiwanese and Hong Kong economies. Gilbert Rozman, moreover, has pointed out that family owned businesses and enterprises comprise the most dynamic sector of the reform-era economy of the People's Republic of China. Will future research show any similarities or connections between the practices of the late imperial mid-level merchant and the way family firms are run in Taiwan, Hong Kong, and the People's Republic of China today? Or have changed circumstances made the merchant culture of the late imperial period largely irrelevant? At the least, the relatively unregulated economic environment of Hong Kong does bear some resemblance to that of late imperial China. Moreover, Ezra Vogel, in his influential book *The Four Little Dragons*, draws attention to the connection between the Confucian self-cultivation of the past and the self-improvement efforts of East Asians today, efforts that "take an active purposive form" and that are geared toward advancing "work-related skills such as speaking foreign languages, using computers, calculating statistics, and understanding foreign markets."<sup>8</sup>

### *The Conservative Qualities of the Manual Authors*

An issue that must be further addressed here is the seemingly conservative nature of some of the advice given in the merchant manuals. How do such conservative views on credit, litigation, and business and financial management mesh with our perception of a commercially dynamic late imperial economy? Would these views



limit the expansion of the commercial economy and to some extent overlap with the advice of the government and morality book authors? Or was the position of these mid-level merchants so precarious that caution in certain areas was therefore warranted?

The culture of the mid-level merchant blended a certain level of risk taking with a healthy dose of risk aversion, thus reflecting the merchants' complex social and economic position. Mid-level merchants constantly interacted with the market and made decisions based on cost and profit and supply and demand, frequently manipulating the market to their own advantage. This rather adventurous attitude toward the market, clashing sharply with the attitudes of the morality book authors, was perfectly compatible with a dynamic commercial economy. We must also remember that the author of the *Essential Business* manual advises the shopkeeper to be the last to raise his prices and the first to lower them—a strategy that would have fostered competition among local shopkeepers. In some areas, then, the authors were not at all conservative.

Moreover, although some of the more conservative essays can probably be dismissed as having been irrelevant to the needs of the reader or simply too cautious, the majority probably accurately reflect the reality of the readers' lives. Mid-level merchants lacked large amounts of capital and powerful political connections, lived in a world with minimal government protection, and faced the constant threat of competition and economic downturn. Although these merchants did not face immediate starvation, businesses failed at an exceedingly high rate and the possibility of bankruptcy was much larger than the possibility of growth and expansion. To try to expand a business during a boom period, for example, may have meant competing with heavily capitalized sojourning merchants such as those from Huizhou or Shanxi. Excessive debt, moreover, also threatened the existence of the small firm. The authors thereby urged their readers to be wary of becoming too dependent on credit, to avoid easy but dangerous short-term gains, to extinguish grandiose ambitions, and to develop long-term reliable relationships with business associates, customers, and employees. It is unfair to characterize these entreaties as unnecessarily or unreasonably conservative; the culture of the mid-level merchant, instead, developed in response to the complex reality of late imperial China, and the manual authors by and large reflect that culture.

*Self-Cultivation and the Question of Merchant Culture*

The mid-level merchant culture examined here did not encompass the totality of merchant thought and practice in the late imperial period. Even though merchants were strongly influenced by the ideas of the merchant manuals, they still, for the most part, prayed to the gods, petitioned the local government, and signed contracts with other merchants or brokers. Were there merchants who completely conformed to the ideas outlined so thoroughly by the manual authors? If so, who might they have been? Would they have deviated at all from the broader master plan articulated by the authors?

Young apprentices who had learned these ideas—essentially as the core of their education—may have internalized a good deal of them. In addition, those particularly concerned with social mobility—either those on the way up or the poor Confucians slipping away from officialdom—may have been apt to follow the advice more diligently. They would have been particularly keen not to associate themselves with “superstitious” practices or the world of the law courts, both linked, in theory at least, to the lower classes. Neophytes, such as peasants recently arrived from the countryside or urban laborers with minimal knowledge of the commercial world, also might have closely followed the advice of the merchant-authors until they gained enough experience to make their own adjustments.

We can imagine most mid-level merchants assiduously following the advice of the manual authors while trying to avoid the outbreak of trouble; the authors, after all, emphasized prevention above all else. However, when problems, especially serious problems, did occur, as inevitably they must have, merchants certainly resorted to the law or sought out the help of the local government; the authors warned of the dangers of the law courts but never explicitly counseled against this course of action and probably tried to scare neophytes and young apprentices into believing that mistakes were irremediable.<sup>9</sup> Or, after a merchant had exerted himself to the utmost, what harm would there have been in lighting a stick of incense? The majority of the elite, after all, indulged in “superstitious” practices, so why should not the mid-level merchant? In other cases, the establishment of personal relationships and other aspects of merchant culture would have complemented and reinforced the contracts signed by merchants. Finally, still other merchants would have used one approach to deal with a one type of problem

and another approach to deal with a different type. Separating the various approaches for analytical purposes should not blind us to the manner in which the approaches may have been used in the real world. Just as a Confucian-centered education did not force Qing officials to refrain from practical statecraft, such an education did not close off other avenues of experience and practice for merchants.

Mid-level merchant culture demonstrates the elasticity and flexibility of the broader late imperial social and cultural orthodoxy. Mid-level merchants could change and adapt the message of the philosophers and educators while still remaining socially respectable and constituting the more or less orthodox bulwark of urban society. Just as official religion during the late imperial period allowed members of the subordinate classes to develop their own representations of sanctioned gods and yet remain within the cultural mainstream, so too did the wider social and cultural orthodoxy allow merchants to adjust culture to their own needs.<sup>10</sup>

This acceptance and adaption by merchants of basic Confucian values can be seen as a part of the broader trend toward homogenization beginning in the eighteenth century, when specialists arose to transmit social norms to the larger population and merchant guidebooks developed as a distinct genre.<sup>11</sup> The information contained in the merchant manuals was disseminated through the marketing networks to a broad range of people in commercial life who originally came from the peasantry, the urban lower classes, and even the lower fringes of the educated elite. These manuals helped not only to standardize mid-level merchant culture during the Qing but also to spread and inculcate society's basic values and ethics.

Life was not easy for mid-level merchants. They may have been accepted by society in general, but members of the conservative elite, the orthodox educators, and, to a certain extent, the government vociferously objected to aspects of merchant culture and perceived the culture as a threat to the agrarian ideal and the established social order. Previously, these objections had obscured the overall acceptance of commerce and merchant culture in late imperial society; yet we cannot simply ignore these dissenters, for they did seek to retard social change, and their message certainly did reach the mid-level merchant. In particular, mid-level merchant attitudes toward the marketplace and the poor riled the conservative elite and morality book authors, who, in part, used the agrarian ideal as a political tool to limit social mobility. The mid-level merchant's claim

to be a gentleman also challenged the conservative elite and their status in society. The manual authors wrote in response to conservative attempts to keep people of the subordinate ranks in their place and to limit the possibility of social climbing. As we have seen, the great stress on rationalism may have been an attempt by the manual authors and the merchants to combat the conservative elite's use of supernatural sanctions to repress mobility.

The Qing court was somewhat more ambivalent toward local merchants and their culture. On the one hand, it also disliked merchant attitudes toward the marketplace and the poor and feared large numbers of peasants leaving the countryside for the more pleasant and profitable world of urban commerce. Thus the government supported the publication and dissemination of agricultural manuals, but merchant manuals encouraged the movement of the population from the farm and supported commercial methods unattractive to the government. On the other hand, however, the merchant manuals disseminated basic Confucian values, were based on the orthodox model of the family instructions (*jiaxun*), and supported the idea of the family business, which provided jobs for a certain segment of the rural and urban population that, without employment, may have otherwise threatened social stability. The manual authors, moreover, warned their readers of conspicuous consumption and the entertainment quarters and did not discuss any disloyal or heterodox ideas. The government may have objected to some practices and values of the mid-level merchants, but in comparison with the hedonistic urban counterculture, secret societies, criminal gangs, and religious sectarians, these merchants, their manuals, and their culture were accepted as respectable, if still subordinate.

Did the acceptance and tolerance of merchant culture mean that mid-level merchants had no distinct culture of their own? Or did the values of these late imperial local merchants differ in any way from those accepted by the elite, both scholar-officials and wealthy merchants? One answer to the latter question is yes, mid-level merchants saw themselves as belonging to a middle level of society that held values somewhat different from those of the elite. They drew solace and strength from their own social and economic stratum, while they remained at odds with some of the values cherished by the elite and defined themselves against people they considered above or beneath them.<sup>12</sup> Despite their desire for social respectability and moral attain-

ment, mid-level merchants showed little or no concern for the welfare of society as a whole, considering most matters in light of their own business interests. Wang Bingyuan went so far as to stress the greedy and selfish nature of the general public, in effect absolving merchants of social responsibility. Surrounded by swarms of desperate impoverished people drawn to the commercial quarters of towns and cities, mid-level merchants sought simply to protect themselves and to prevent their own impoverishment rather than to concern themselves with society's larger problems. Connecting poverty with laziness or moral failing reinforced this tendency. As a result, mid-level merchants displayed an indifferent attitude toward the poor and did not emphasize charity. In contrast, the elite, living comfortably behind their compound walls, closely identified themselves with charitable activities. While morality books grudgingly accepted money as a means to do good deeds, mid-level merchants frankly valued it as an end in itself. Members of the elite, while valuing money, would not have expressed themselves so baldly. Mid-level merchants also did not emphasize the full panoply of Confucian virtues, and perhaps went somewhat further than the elite in adjusting those values. Moreover, without powerful formal and informal connections in officialdom, mid-level merchants had to rely more on self-cultivation than wealthy merchants or members of the scholar-official elite, although self-cultivation was important to all.

Yet the mid-level merchants' value system remained essentially within the broad Confucian framework. Moreover, just as Confucianism cannot be used to separate the elite from the merchants, pragmatism cannot be used to separate the merchants from the elite. We must differentiate between the values propagated by members of the orthodox elite, conservative moralists, or government ideologues who sought to maintain the standards of an agrarian society and the actual practices of the ordinary members of the elite. In the eighteenth century, increasing numbers of the elite invested in commercial enterprises and sent their sons to earn a living in the commercial world. Certain family instructions, in addition, show us that elite families during the late imperial period did not always adhere to the values and practices dictated by the classical Confucian philosophers or advocated by the more orthodox members of the Qing elite. The merchant manuals, in fact, strongly resemble these family instructions. Both kinds of books provided a practical morality (though differing for each group) that allowed the reader to pursue material

goals, whether those included the preservation of the household or the running of a small business. Thus these books held out for their readers, in Patricia Ebrey's words, a level of decency that could be attained by all, rather than the virtue of the philosophers that could be attained by only a few: "Decency can be demanded of everyone; or to put it the other way, achieving what a culture asks of everyone is considered decent. Virtue is an extreme or absolute, full mastery of which very few ever achieve or are expected to achieve."<sup>13</sup>

Both the elite and the mid-level merchants struggled (from different vantage points) with the continuing problem of adjusting an inherited value system to their own present time. Most members of society, including the elite, had over the course of the centuries made similar adjustments, bearing out the contention that "the various social classes and cultural groups in traditional China had more in common than has often been assumed and that their cultural common denominators outweighed by far their cultural differences."<sup>14</sup> The solutions they worked out differed because of their divergent social, political, and economic positions, yet neither group allowed one view to be used as an absolute standard by which to measure the other. A vast social and economic gulf still separated them, yet their worldviews became more mutually intelligible over the course of the late imperial period, a process that accelerated during the eighteenth century.

## APPENDIX: THE MAOYI XUZHI MANUAL

I have found four different editions or versions of the *Maoyi xuzhi* manual. The first is the 1854 edition, sections of which are contained in a 1937 article by Ju Qingyuan titled “Three Early Qing Merchant Books” (“Qing kaiguan qianhou de sanbu shangren zhuzuo”). This is the edition that Eberhard worked with in his book *Social Mobility in Traditional China*. The manual was published with other works for merchants in the *Zajin chunfang yinjing* in 1854 as part of volume five under the title *Huoji xuzhi*. Since the manual had already been collected prior to 1854, we know the date of the original publication was earlier than 1854. The fact that another work contained in this volume had been attributed to the early eighteenth century suggests that the date may have been considerably earlier than 1854.

The second edition is a complete, updated version titled *Maoyi xuzhi yaoyan* written in a more modern vernacular and printed in Shanghai in 1900. It contains a section for traveling merchants not found in the other versions. It is collected in a version of the popular *Wanbao quanshu* almanac, which was published by the Shanghai Book Press. The almanac editor attributes the manual to Wang Bingyuan of Juqu, which is probably a county in Jiangsu (near Lake Tai), and offers it to his readers as the Chinese equivalent of the merchant manuals found in Western countries. I came across this edition in 1982 in the *Bai Lin Si* (White Deer Temple), a former branch of the Beijing National Library.

The Chinese writer, Li Hu, in a 1962 article in *Guangming Ribao* used the 1900 edition of this manual to make comparisons with the eighteenth-century manual, the *Shanggu bianlan*. Not realizing that the original publication date of the *Maoyi xuzhi* manual was before 1854, he drew conclusions from the manual about the development

of capitalism and the influence of the West in China. Li argued that since the *Maoyi xuzhi*, unlike the *Shanggu bianlan*, made almost no mention of brokers, merchants must have been dealing directly with producers. As he, like many other historians in China, considered merchants' relationships with brokers to be characteristic of the feudal economy, the dearth of information on brokers in the 1900 edition signaled for him the decline of feudalism in China.

The third version of the manual is entitled *Maoyi xuzhi jiyao*; it is a handwritten copy by someone who was at best semiliterate and who did not approach his task with much care. Many characters are written incorrectly, and whole sentences or parts of sentences are left unfinished. This version also attributes authorship to Wang Bingyuan of Juqu. The manual is divided into two parts, the first part containing seventy short essays and the second part containing thirty short essays. The manual is obviously incomplete as the thirty-first essay in the section ends after only a few words. It was microfilmed by the Library of Congress after the Japanese invasion of China in 1937 and can be found in the Beijing National Library as well as the Library of Congress.

The last version of the manual turns up in English translation as *Maxims and Rules for Apprentices* in the appendix to Sydney Gamble's monumental survey of Beijing. These essays correspond to those in the first half of the first section of the handwritten version. Gamble examines these essays in the context of a general discussion of commercial life and guilds but does not directly state where they were found.

It was common for unscrupulous people during the late imperial period to remove the author's name from a route book or merchant manual and replace it with their own. This appears to be the case with the *Maoyi xuzhi* and Wang Bingyuan. I base this supposition on the assumption that Juqu, Wang's town, was probably located in Jiangsu province. The manual to which his name has been connected, however, was written in a northern vernacular and was included in the larger manual compiled in the north. Wang's name was not mentioned in the sections of the manual included in Ju Qingyuan's article alluded to above. This evidence is not conclusive, of course, but does shed doubt on Wang's claim to authorship.



## NOTES

### *Prologue*

1. Xu Yang's painting can be found in the Metropolitan Museum of Art in New York City.

### *Introduction*

1. See Susan Mann, *Local Merchants and the Chinese Bureaucracy, 1750–1950* (Stanford: Stanford University Press, 1987), 59–60; Angela Ning-jy Sun Hsi, “Social and Economic Status of the Merchant Class of the Ming Dynasty, 1368–1644” (Ph.D. diss., University of Illinois at Urbana-Champaign, 1972), 28–29.

2. The Four Books are *The Analects*, *Mencius*, *The Great Learning*, and *The Doctrine of the Mean*.

3. I borrow the phrases “inner mental attentiveness” and “perfect mental attentiveness” as translations of *jing* from Cynthia Brokaw's *The Ledgers of Merit and Demerit: Social Change and Moral Order in Late Imperial China* (Princeton: Princeton University Press, 1991), 22, 86.

4. I use the term “subordinate classes” here to refer to those in late imperial society without great financial resources, political connections, or legal privileges. Although this term is far from perfect, it does convey their distance from the elite and is superior to the inaccurate term “commoners” and the demeaning term “lower classes.”

5. Naturally, not all mid-level merchants concerned themselves with morality and social respectability or cared about the standards set by the government or scholars. For example, plays with themes unacceptable to the elite were often performed in the market towns where many mid-level merchants lived. See Tanaka Issei, “The Social and Historical Context of Ming-Ch'ing Local Drama,” in *Popular Culture in Late Imperial China*, ed. David Johnson, Andrew J. Nathan, and Evelyn S. Rawski (Berkeley: University of California Press, 1985), 143–144.

6. The influential sociologist G. William Skinner divided China into

nine macroregions, the geographic features of which defined them as spheres of local economic and commercial activity. See essays by Skinner in *The City in Late Imperial China*, ed. G. W. Skinner (Stanford: Stanford University Press, 1977).

7. Women could sometimes be found around the fringes of the commercial world or working behind the scenes in a husband's shop.

8. The "poor Confucians," having received at least some classical education, sought to maintain an air of social respectability and orthodoxy despite abandoning their original career goals and turning to commerce. Cultivating this respectability eased a psychologically painful transition. The Qianlong emperor used the term "poor Confucians" to describe impoverished scholars. See Alexander Woodside, "State, Scholars, and Orthodoxy: The Ch'ing Academies, 1736-1839," in *Orthodoxy in Late Imperial China*, ed. Kwang-Ching Liu (Berkeley: University of California Press, 1990), 175. I adapt the term for use here.

9. See, for example, the work of Wm. Theodore de Bary.

10. See the work of Paul Ropp and William Rowe for discussions of this issue.

11. Paul Ropp, *Dissent in Early Modern China: Ju-lin wai-shih and Ch'ing Social Criticism* (Ann Arbor: University of Michigan Press, 1981), 49.

12. Wolfram Eberhard, *Social Mobility in Traditional China* (Leiden, Netherlands: E. J. Brill, 1962), 238-263. Eberhard distinguishes the ordinary (mid-level) merchant (*shang*) from the Confucian-educated gentleman-merchant. Although he believed this *shang* culture was an important precondition for industrialization and implied that it served as a basis for a middle-class culture, he concluded that evidence was not yet available to link it to the development of a bourgeois culture in China. He divided the merchants of late imperial China into three categories, the gentleman-merchant, the itinerant merchant (*shang*), and the shopkeeper (*gu*).

13. Cited in Ellen Kay Trimberger, "E. P. Thompson: Understanding the Process of History," in *Vision and Method in Historical Sociology*, ed. Theda Skocpol (Cambridge: Cambridge University Press, 1984), 221. My study makes no assumption that the vigorous commercial development seen in Ming and Qing China would have necessarily led to the full commercialization of the economy or social and economic conditions resembling those of early modern England or Europe. The possibility of different paths of development for China has been recently suggested by Gary Hamilton and more fully articulated by Philip Huang.

14. Cited in Peter Burke, "The 'Discovery' of Popular Culture," in *People's History and Socialist Theory*, ed. Raphael Samuel (London: Routledge and Kegan Paul, 1981), 225.

15. Stuart Hall, "Notes on Deconstructing 'The Popular,'" in *People's History and Socialist Theory*, 232, 235.

16. Timothy Brook, "Guides for Vexed Travelers: Route Books in the Ming and Qing," *Ch'ing-shih wen-t'i* 4 (June 1981): 38.

17. Ju Qingyuan, "Qing kaiguan qianhou de sanbu shangren zhuzuo" [Three Early Qing Merchant Books], reprinted in *Zhongguo jindaishi luncong*, 2d coll., vol. 2 (Taipei, 1958), and "Jiaozheng *Jianghu bidu*" [Collation of *Jianghu bidu*], *Shihuo* 5.9 (1937).

18. Shiba Yoshinobu, "Shinkoku kyakushō ichiran seimei tenka suiriku rotei [Xinke keshang yilan xingmi tianxia shuilu lucheng] ni tsuite" [A Ming Merchants' Guidebook: An Analysis of the *K'o-shang i-lan hsing-mi*, edited in 1635], ed. Mori Mikisaburō Hakase shodai kinen jigyōkai (Kyoto: Hoyu shoten, 1979).

19. Mizuno Masaaki, "Shinan gemban shishō ruiyō [Xin'an yuanban shishang leiya] ni tsuite" [On "The Original Edition of the Xin'an Encyclopedia for Gentry and Merchants"], *Tōhōgaku* [Eastern Studies] 60 (July 1980).

20. Terada Takanobu, "MinShin jidai no shōgyō ni tsuite" [On Merchant Manuals of the Ming and Qing Periods], *Tōyōgaku* 20 (1968).

21. Xie Guozhen, *MingQing biji tancong* [Collection of Notes on Ming and Qing Miscellaneous Jottings] (Shanghai: Zhonghua shuju, 1962), 354-355.

22. Li Hu, "Tan *Jianghu bidu* he *Maoyi xuzhi*" [Discussing *Jianghu bidu* and *Maoyi xuzhi*], *Guangming ribao* (17 September 1962): 4.

23. Morita Akira, "[Shōku benran] ni tsuite" [On Guide for Traders and Shopkeepers], *Fukuoka Daigaku kenkyūjo hō* 16 (1972): 1.

24. Yü Ying-shih, "Rujia sixiang yu jingji fazhan: Zhongguo jinshi zongjiao lunli yu shangren jingshen" [Confucian Thought and Economic Development: Early Modern Chinese Religious Ethics and the Spirit of the Merchant Class], *Zhishi fenzi* [The Chinese Intellectual] 2 (Winter 1986): 34.

25. During the late imperial period, publishers often attached the names of well-known writers to their own books to bolster sales. It is therefore difficult to be sure if the name attached to the book belongs to the actual writer. It should also be noted here that the Chinese scholar Wu Qiyang sees the *Jianghu bidu* as a later compilation consisting of the sections for traveling merchants from the late Qianlong era, *Jianghu chidu* and *Shanggu bianlan*. The content, he believes, reflects the reality of merchant life before the Qianlong era. See Wu Qiyang, "Qingdai qianqi yahangzhi shishu" [On the Brokerage System in the Early Qing], in *Qingshi luncong*, no. 6 (Beijing: Zhonghua shuju, 1985), 51 n. 4.

26. My knowledge of these two guidebooks is based on two articles published in 1979 and 1980, respectively: Shiba Yoshinobu, "Shinkoku kyakushō ichiran seimei tenka suiriku rotei [Xinke keshang yilan xingmi tianxia shuilu lucheng] ni tsuite," and Mizuno Masaaki, "Shinan gemban shishō ruiyō" [Xin'an yuanban shi-shang leiya] ni tsuite."

27. See Appendix for a description of the extant versions of this merchant manual.

28. This is based on evidence from the text. The reputed author, Wang Bingyuan, was supposed to be from Jiangsu (Juqu, his purported hometown, is the literary name for Lake Tai). If he was indeed the author, it is possible that he lived and did business in north China. Unfortunately, we know nothing else about Wang's life.

29. The edition I worked with is found in the Tōyō Bunka Kenkyūjo of Tokyo University. The edition included in Ju Qingyuan's article "Collation of *Jianghu bidu*" [Jiaozheng *Jianghubidu*], however, contained a number of essays not contained in the Tokyo version and I will include them in my discussions below. The *Shishang yaolan* [Essentials for Gentlemen and Merchants] (seventeenth century) contains the same essays as the Tokyo version of the *Jianghu bidu* but in a different order.

30. Masui Tsuneo, *Chūgoku no gin to shōnin* [Silver and Merchants in China] (Tokyo: Kenbun shuppan, 1986), 60.

31. This manual was also microfilmed by the Library of Congress and can be found in Washington and Beijing. Lien-sheng Yang has conveniently had it printed in the journal *Shihuo yuekan* (July 1971), with a short introduction dating the manual to the 1880s.

32. T. S. Whelan, *The Pawnshop in China* (Ann Arbor: Michigan Abstracts of Chinese and Japanese Works on Chinese History, no. 6, 1979), 21-30.

33. The preface of the *Shishang yaolan* definitely indicates the author was addressing his remarks to grain merchants. It is possible that this was also true for the essays in the manual, but there is no specific evidence.

34. The analysis here has been influenced by the methodology for studying popular texts suggested in David Johnson's "Communication, Class, and Consciousness in Late Imperial China," in *Popular Culture in Late Imperial China*. 34-72.

35. As a result of work by historians of Europe, and, more recently, of China, "new rules of evidence," which the historian Carlo Ginzburg has called for, have slowly begun to emerge for the analysis of popular culture. The historian working in this field, nevertheless, still has to make greater use of hypothesis, and cannot draw the kind of definitive conclusions that historians working in other areas take as the norm. See Burke, "The 'Discovery' of Popular Culture," in *People's History and Socialist Theory*, 225.

36. David Johnson has discussed writers who belong to the same group as their audience in "Communication, Class, and Consciousness in Late Imperial China." He states, "Having shared their life experiences and education and thus knowing their needs and expectations, such a person is far better able to reach them than someone to whom their lives are unfamiliar, and whose education has been unlike theirs." Johnson observes that the

author's mentality in this case will likely resemble or reflect the mentality of his audience (71).

37. Many of the essays in the merchant manuals were built around these "ancient sayings," which contained the essence of commercial knowledge. It is quite possible that shop owners and experienced merchants cited these proverbs in the course of a work day and perhaps explained them orally to apprentices or young clerks. The manual authors, using the family instructions as a model, might then have expanded upon them in writing just as the older merchant explained them in the shop or on the road.

A passage about an old, experienced worker in China during the 1970s suggests how these sayings may have been used. "He liked to observe what people were saying or doing around him, suck on his pipe, and then make a comment that was usually based on some old Chinese saying. When he was teaching me how to grind gears and make the notches the correct depth, he always found the right proverb. If in his opinion I worked too slowly, he would say: 'You'd better speed it up; there won't be any waves if there's no wind.'" B. Michael Frolic, *Mao's People: Sixteen Portraits of Life in Revolutionary China* (Cambridge: Harvard University Press, 1980), 247.

38. Yü Ying-shih gives a whole host of examples of merchants who retained a serious interest in Confucianism despite pursuing a career in commerce. It should be noted in particular that on p. 36 he discusses two merchants who were not highly educated and yet who still actively pursued Confucian learning. Some might object that these examples of testimonies to the merchant's learning often came from family members or other eulogists upon their deaths. It thus seems difficult to determine if this learning was really integrated into their daily life or simply displayed for society's benefit. Although the merchants' learning may have been somewhat exaggerated, the learning attributed to them certainly was not made up out of whole cloth. See Yü Ying-shih, "Rujia sixiang yu jingji fazhan: Zhongguo jinshi zongjiao lunli yu shangren jingshen."

39. Pu Songling, *Selected Tales of Liaozhai* (Beijing: Panda Books, 1981), 62, 69, 140-141.

40. The advice proffered in his 1792 compilation applied to both the traveling merchant and the shopkeeper.

41. This statement suggests that merchants relied upon an oral tradition of education well into the nineteenth century. However, another compiler in the same year noted the great number of bad commercial guidebooks on the market. We should not place too much stress on Xi's point.

42. Ju Qingyuan, "Qing kaiguan qianhou de sanbu shangren zhuzuo," 212.

43. Gilbert Rozman, *Urban Networks in Ch'ing China and Tokugawa Japan* (Princeton: Princeton University Press, 1973), 110.

44. Ju Qingyuan, "Qing kaiguan," 211.

45. See Brokaw, *The Ledgers of Merit and Demerit*, for a discussion of these changes.

46. By putting the term “reader” in quotes, I hope to indicate that although I have no specific evidence that the merchant-authors read these texts, as educated merchants they most likely would have come across them.

47. Ropp, *Dissent in Early Modern China*, 202–205. The manual authors never discussed the social utility of their profession.

48. Roger Chartier, “Intellectual History and the History of *Mentalités*: A Dual Re-evaluation,” trans. Lydia Cochrane, in *Cultural History: Between Practices and Representations*, ed. Roger Chartier (Oxford: Polity Press, 1988), 44.

49. Evelyn Rawski, *Education and Popular Literacy in Ch’ing China* (Ann Arbor: University of Michigan Press, 1979).

50. James Hayes, “Specialists and Written Materials in the Village World,” in *Popular Culture in Late Imperial China*, 83.

51. Burke, “The ‘Discovery’ of Popular Culture,” 219.

52. Sidney Gamble and John S. Burgess, *Peking: A Social Survey* (New York: George H. Doran Company, 1921), 188.

53. Rawski, *Education and Popular Literacy in Ch’ing China*, 52.

54. It should be noted that the work of some late-nineteenth- and twentieth-century scholars is also encouraging; the example of Sidney Gamble’s work connecting material in the manuals with the actual world of commerce in the early twentieth century has been cited above. The authors of the influential conference volume *Popular Culture in Late Imperial China*, furthermore, have carefully used the research of anthropologists in trying to understand late imperial popular culture.

### 1 The Late Imperial World

1. See Mark Elvin, *The Pattern of the Chinese Past* (Stanford: Stanford University Press, 1973).

2. Scholarly opinion differs on whether a national market existed during the Song.

3. See William Rowe, *Hankow: Commerce and Society in a Chinese City, 1796–1889* (Stanford: Stanford University Press, 1984), 179–181.

4. William Rowe, “Approaches to Modern Chinese Social History,” in *Reliving the Past: The Worlds of Social History*, ed. Olivier Zunz (Chapel Hill: University of North Carolina Press, 1985), 270.

5. Many historians from the People’s Republic of China regard the Single Whip reforms and the subsequent monetization of the economy as a causal factor in the commercialization of the economy rather than as a reflection of that process.

6. Ramon H. Myers, *The Chinese Economy Past and Present* (Belmont, Calif.: Wadsworth, 1980), 5–6.

7. Lloyd Eastman, *Family, Field, and Ancestors: Constancy and Change in China's Social and Economic History, 1550-1949* (New York: Oxford University Press, 1988), 102.

8. G. William Skinner, "Marketing and Social Structure in Rural China," *Journal of Asian Studies* 24 (November 1964).

9. *Ibid.*, 20.

10. Elvin, *The Pattern of the Chinese Past*, 268-269.

11. Mann, *Local Merchants and the Chinese Bureaucracy, 1750-1950*, 60.

12. Nyok-Ching Tsur, "Forms of Business in the City of Ningpo in China [1909]," *Chinese Sociology and Anthropology* 15 (Summer 1983): 124.

13. Rozman, *Urban Networks in Ch'ing China and Tokugawa Japan*, 89.

14. Angela Ning-jy Sun Hsi, "Social and Economic Status of the Merchant Class of the Ming Dynasty, 1368-1644," 32.

15. William Rowe, *Hankow: Conflict and Community in a Chinese City, 1796-1895* (Stanford: Stanford University Press, 1989), 39.

16. See Mann, *Local Merchants and the Chinese Bureaucracy, 1750-1950*.

17. Rowe, *Hankow: Commerce and Society in a Chinese City, 1796-1889*, 193.

18. Frederic Wakeman, Jr., *The Fall of Imperial China* (New York: Free Press, 1975), 17.

19. Evelyn Rawski, "Economic and Social Foundations of Late Imperial Culture," in *Popular Culture in Late Imperial China*, 17.

20. Katherine Carlitz, "The Social Uses of Female Virtue in Late Ming Editions of *Lienü Zhuan*," *Late Imperial China* 12, no. 2 (December 1991).

21. Rawski, "Economic and Social Foundations of Late Imperial Culture," 21.

22. As merchant manuals have been found in popular encyclopedias, this point can be stated with a fair degree of confidence.

23. Lucille Chia, "Book Emporium: The Development of the Jianyang Book Trade, Song-Yuan" (paper presented at the Association of Asian Studies Conference in Boston, 24 March 1994), 25-26.

24. Patricia Ebrey, remarks at the Freedom of Learning and Discussion in Asia and the West Symposium, Columbia University, 9-10 March 1990.

25. Wm. Theodore de Bary, "Some Common Tendencies in Neo-Confucianism," in *Confucianism in Action*, ed. David S. Nivison and Arthur F. Wright (Stanford: Stanford University Press, 1959), 37.

26. Wm. Theodore de Bary, "Sagehood as a Secular and Spiritual Ideal in Tokugawa Neo-Confucianism," in *Principle and Practicality: Essays in Neo-Confucianism and Practical Learning*, ed. Wm. Theodore de Bary and Irene Bloom (New York: Columbia University Press, 1979), 141.

27. Rawski, *Education and Popular Literacy in Ch'ing China*, 89.

28. Raymond Williams, *Marxism and Literature* (Oxford: Oxford University Press, 1977), 112.

29. Tadao Sakai, "Confucianism and Popular Educational Works," in

*Self and Society in Ming Thought*, ed. Wm. Theodore de Bary (New York: Columbia University Press, 1970), 346.

30. Some books from earlier periods, such as the *Longshu jingtu wen*, a Pure-Land Buddhist tract from the Song dynasty, also contained advice classified by occupation.

31. Wm. Theodore de Bary, "Individualism and Humanitarianism in Late Ming Thought," in *Self and Society in Ming Thought*, 168.

32. Judith Berling, *The Syncretic Religion of Lin Chao-en* (New York: Columbia University Press, 1980), 83.

33. Joanna F. Handlin, *Action in Late Ming Thought: The Reorientation of Lü K'un and Other Scholar-Officials* (Berkeley: University of California Press, 1983), 108.

34. Hui-chen Wang Liu, "An Analysis of Chinese Clan Rules: Confucian Theories in Action," in *Confucianism in Action*, 80.

35. Chung-ying Cheng, "Practical Learning in Yen Yuan, Chu Hsi and Wang Yangming," in *Principle and Practicality*, 39. Romanization modified.

36. *Ibid.*, 61.

37. Ping-ti Ho, *The Ladder of Success in Imperial China: Aspects of Social Mobility* (New York: Columbia University Press, 1962), 18.

38. Denis Twitchett, "Merchant, Trade and Government in Late T'ang," *Asia Major* 14.1 (1968); Shiba Yoshinobu, *Commerce and Society in Sung China*, trans. Mark Elvin (Ann Arbor: Michigan Abstracts of Chinese and Japanese Works on Chinese History, 1970).

39. Ping-ti Ho, *The Ladder of Success in Imperial China*, 42, 73-75.

40. Mizuno Masaaki, "Shinan gemban shishō ruiyō [Xin'an yuanban shishang leiyao] ni suite," 107.

41. Lin Liping, "TangSong shiqi shangren shehui diwei de yanbian" [Changes in the Social Status of Merchants during the Tang and Song Dynasties] *Lishi yanjiu* [Historical Research] 1 (1989): 129-143.

42. Patricia Ebrey, *Family and Property in Sung China: Yuan Ts'ai's Precepts for Social Life* (Princeton: Princeton University Press, 1984), 130.

43. Willard Peterson, *Bitter Gourd: Fang I-chih and the Impetus for Intellectual Change* (New Haven: Yale University Press, 1979), 70. Romanization modified.

44. Yü Ying-shih, "Rujia sixiang yu jingji fazhan: Zhongguo jinshi zongjiao lunli," 30-31.

45. *Ibid.*, 30.

46. Mizuno Masaaki, "Shinan gemban shishō ruiyō [Xin'an yuanban shishang leiyao] ni suite," 108.

47. Hou Wailu, *Zhongguo fengjian shehui shilun* [A Discussion of the History of Chinese Feudal Society] (Beijing: Renmin chubanshe, 1979), 267.

48. Harriet Zurndorfer, "Merchant and Clansman in a Local Setting in Medieval China: A Case Study of the Fan Clan of Hsiu-ning Hsien, Hui-



chou, 800-1600" (Ph.D. diss., University of California at Berkeley, 1977), 179.

49. Skinner, "Marketing and Social Structure in Rural China," 42.

50. Skinner, "Introduction: Urban Social Structure in Ch'ing China," 540.

51. See, for example, Wellington K. K. Chan, *Merchants, Mandarins, and Modern Enterprise in Late Ch'ing China* (Cambridge: Harvard University Press, 1977), 22.

52. Ping-ti Ho, *The Ladder of Success in Imperial China: Aspects of Social Mobility*, 86-91; Johnson, "Communication, Class and Consciousness in Late Imperial China," 47.

53. Mann, *Local Merchants and the Chinese Bureaucracy, 1750-1950*, 19, 27.

54. Hu Jichuang, *Zhongguo jingji sixiangshi (xia)* [A History of Chinese Economic Thought, part 2] (Shanghai: Shanghai renmin chubanshe, 1981), 594.

55. Hou Wailu, *Zhongguo fengjian shehui shilun*, 281.

56. The bitter attacks on the encroachment of commerce are so numerous that Western scholars first thought the late imperial elite disdained commerce. For a description of late Ming society, see Lynn Struve, *The Southern Ming, 1644-1662* (New Haven: Yale University Press, 1984).

57. Downward mobility for the elite in late imperial China has been well documented. See Wakeman, *The Fall of Imperial China*, and Ping-ti Ho, *The Ladder of Success in Imperial China*. Even if this downward mobility is still disputed by scholars today, the perception of the threat of downward mobility for the elite, as Cynthia Brokaw points out in her book, certainly existed.

58. Rawski, "Economic and Social Foundations of Late Imperial Culture," 9.

59. Peterson, *Bitter Gourd: Fang I-chih and the Impetus for Intellectual Change*, 79.

60. Although downward mobility has been documented, it is important not to exaggerate the degree of social mobility by uncritically accepting the conservative elite's view of the threat from "below." See essays by Brook and Rowe in *Chinese Local Elites and Patterns of Dominance* edited by Joseph Esherick and Mary Rankin for examples of families that managed to maintain their elite status through the generations.

61. Eric Foner, "The Meaning of Freedom in the Age of Emancipation" (University Lecture, Columbia University, 6 April 1992).

62. Morality books were meant for people of all levels of society illustrating how virtue would be rewarded and vice punished. They first appeared in the Song and became popular during the late imperial period. My discussion on the change in the nature of morality books is informed here by the work of Cynthia Brokaw.

63. Brokaw, *The Ledgers of Merit and Demerit*, 162, 174.
64. *Ibid.*, 228.
65. *Ibid.*, 177.
66. *Ibid.*, 214.
67. Tadao Sakai, "Confucianism and Popular Educational Works," 354, 356.
68. Zhao Jing and Yi Menghong, eds., *Zhongguo jindai jingji sixiangshi* [A History of Chinese Modern Economic Thought], rev. ed., vol. 1 (Beijing: Zhonghua shuju, 1980), 121-128.
69. As the late imperial economy became more and more commercialized, many powerless people did suffer at the hands of unscrupulous merchants. Some conservatives, of course, had more complex reasons for attacking merchants, but others certainly were genuinely concerned about the plight of the poor and defenseless.
70. Susan Naquin and Evelyn S. Rawski, *Chinese Society in the Eighteenth Century* (New Haven: Yale University Press, 1987), 116, 122.
71. See the following accounts: de Bary, "Individualism and Humanitarianism in Late Ming Thought"; Shimada Kenji, *Chūgoku ni okeru kindai shii no zasetsu* [The Frustration of Modern Thought in China] (Tokyo: Chikuma shobo, 1970); Hou Wailu, "Wang Gen de jinbu sixiang ji qi renminxing" [Wang Gen's Progressive Thought and Its Popular Character], excerpt in *MingQingshi ziliao* [Ming and Qing Historical Materials], vol. 1, ed. Zheng Tianting (Tianjin: Tianjin renmin chubanshe, 1980), 486.
72. Hou Wailu, "Wang Gen de jinbu sixiang ji qi renminxing."
73. de Bary, "Individualism and Humanitarianism in Late Ming Thought," 164.
74. Ping-ti Ho, *The Ladder of Success in Imperial China*, 198.
75. de Bary, "Individualism and Humanitarianism in Late Ming Thought," 159. Romanization modified.
76. Handlin, *Action in Late Ming Thought: The Reorientation of Lü K'un and Other Scholar-Officials*, 37.
77. Shimada Kenji, *Chūgoku ni okeru kindai shii no zasetsu*, 104-106.
78. de Bary, "Individualism and Humanitarianism in Late Ming Thought," 152-153.
79. Ho Xinyin, *Dazuozhu*, quoted in Yü Ying-shih, "Rujia sixiang yu jingji fazhan: Zhongguo jinshi zongjiao lunli yu shangren jingshen," 31.
80. Cynthia Brokaw, "Determining One's Fate: The Ledgers of Merit and Demerit in Sixteenth- and Seventeenth-Century China" (Ph.D. diss., Harvard University, 1984), 393.
81. Masui Tsuneo, *Chūgoku no gin to shōnin*, 197.
82. de Bary, "Individualism and Humanitarianism in Late Ming Thought," 208.
83. *Ibid.*, 206.

84. Ray Huang, *1587 A Year of No Significance: The Ming Dynasty in Decline* (New Haven: Yale University Press, 1981), 199.

85. Angela Ning-jy Sun Hsi, "Social and Economic Status of the Merchant Class of the Ming Dynasty, 1368-1644," 143.

86. Timothy Brook, "The Merchant Network in Sixteenth-Century China: A Discussion and Translation of Zhang Han's 'On Merchants,'" *Journal of the Economic and Social History of the Orient* 24, part 2: 181-182.

87. Hu Jichuang, *Zhongguo jingji sixiangshi*, 455.

88. *Ibid.*, 539.

89. *Ibid.*, 533.

90. The origin of this idea can be traced back to the great historian of the Han dynasty, Sima Qian.

91. Hu Jichuang, *Zhongguo jingji sixiangshi*, 471. Scholars from China believe the thought of the so-called Enlightenment thinkers, Huang Zongxi, Wang Fuzhi, and Gu Yanwu, reflects the consciousness of a nascent townsmen class and have therefore paid a great deal of attention to their writings on economics. These thinkers, however, did belong to the scholar-official elite and seem to have had their own agenda when discussing the economy. The quote from Gu Yanwu cited here, for instance, was taken from Gu's famous geographical treatise, *Tianxia jinguo libingshu*, which he began research on in 1639. In the 1662 preface, he wrote, "Realizing the many grievous problems with which the state was faced, I was ashamed of the meager resources which students of the classics possessed to deal with these problems." It was the desperate condition of the Ming state's finances and defense posture, rather than the emergence of a new class, that led Gu to search for a solution beyond the conventional body of economic knowledge.

92. Ropp, *Dissent in Early Modern China: Ju-lin wai-shih and Ch'ing Social Criticism*, 203, 218, 235-236.

93. According to Lynn Struve, "Continuity and Change in Early Ch'ing Thought" (presentation at the Columbia University Regional Seminar on Neo-Confucian Studies on 4 Oct. 1985), the high elite of the early Qing were being challenged by commoners who claimed that they too could become sages. Wm. Theodore de Bary noted that many orthodox thinkers in the early Qing were alarmed by the number of people defining such concepts as sagehood in their own way.

94. Zhang Haipeng and Tang Lixing, "Lun Huishang 'gu er hao ru' de tese" [On the Characteristics of the Huizhou Merchants' Confucian Philosophy], *Zhongguoshi yanjiu* 4: (1984).

95. Tang Lixing, "MingQing Huishang xinli yanjiu" [Research on the Mentality of the Ming/Qing Hui Merchants] (paper presented at the Second Conference on Chinese Social History, 26-29 Oct. 1988, Nanjing).

96. Ping-ti Ho, *The Ladder of Success in Imperial China*, 73.

97. Tang Lixing, "MingQing Huishang xinli yanjiu," 11.

98. Zhang Haipeng and Tang Lixing, "Lun Huishang 'gu er hao ru' de tese."

99. Cited in Ramon Myers, "Some Issues on Economic Organization during the Ming and Ch'ing Periods: A Review Article," *Ch'ing-shih wen-t'i* 3 (December 1974): 91.

100. Ibid.

101. Fu Yiling, *MingQing shidai shangren ji shangye ziben* [Merchants and Commercial Capital during the Ming and Qing Dynasties] (Beijing: Renmin chubanshe, 1956), 137-144.

102. Angela Ning-jy Sun Hsi, "State and Merchants in Early Ch'ing China" (paper presented at the From Ming to Ch'ing Conference, 1974, vol. 2, mimeographed).

## 2 The Confucian Orientation of Merchant Culture

1. *Jianghu bidu*, in *Shanggu bianlan*, vol. 1, ed. by Wu Zhongfu (preface dated 1792), 7-8.

2. The possibility exists that the author believed his readers did not read this kind of fiction, although that is unlikely.

3. Wang Bingyuan, *Maoyi xuzhi yaoyan*, in *Huitu zengbu wanbao quanshu* (Shanghai: Shanghai shuju, 1900), 3.

4. Ho Hotang, ed., *Tianxia lcheng shiwo zhouxing* (preface 1694), *juan* 1, "Jianghu shier ze" [Twelve Rules for Traveling].

5. "Thirty-six Virtues for the Merchant." This is contained in a work titled the *Tangji congshu*. It can also be found in genealogies such as the *Nan hai Foshan Huoshi dazong zupu*.

6. It should be noted here that elite Confucians also lamented the passing of a golden age.

7. Richard Smith, *China's Cultural Heritage: The Ch'ing Dynasty, 1644-1912* (Boulder, Colo.: Westview Press, 1983), 53, 107.

8. Chu Hsi and Lü Tsu-ch'ien, comps., *Reflections on Things at Hand: The Neo-Confucian Anthology* (New York: Columbia University Press, 1967), 2. Both the Neo-Confucian anthology and the merchant manuals sought to provide knowledge and information to those who otherwise did not have ready access to them.

9. Ping-ti Ho, *The Ladder of Success in Imperial China*, 2.

10. Rawski, "Economic and Social Foundations of Late Imperial Culture," 29, 30.

11. S. Wells Williams, *The Middle Kingdom: A Survey of the Geography, Government, Education, Social Life, Arts, Religion of the Chinese Empire and Its Inhabitants*, vol. 2 (New York: Wiley and Putnam, 1848), 67.

12. Richard von Glahn, "Municipal Reform and Urban Social Conflict in Late Ming Jiangnan," *Journal of Asian Studies* 50 (May 1991): 302.

13. Joanna Handlin Smith, "Benevolent Societies: The Reshaping of

Charity during the Late Ming and Early Ch'ing," *Journal of Asian Studies* 46 (May 1987): 325.

14. Judith Berling, "Religion and Popular Culture: The Management of Moral Capital in *The Romance of the Three Teachings*," in *Popular Culture in Late Imperial China*, 218.

15. Tu Wei-ming, "The Confucian Sage: Exemplar of Personal Knowledge," in *Humanity and Self-Cultivation: Essays in Confucian Thought* (Berkeley: Asian Humanities Press, 1979), 33-34; Wm. Theodore de Bary, *The Unfolding of Neo-Confucianism* (New York: Columbia University Press, 1975), 23.

16. Tu Wei-ming, "The Creative Tension Between *Jen* and *Li*," in *Humanity and Self-Cultivation*, 12.

17. Tu Wei-ming, "Yen Yuan: From Inner Experience to Lived Concreteness," in *The Unfolding of Neo-Confucianism*, 526, 527, 533.

18. Wm. Theodore de Bary, *East Asian Civilizations: A Dialogue in Five Stages* (Cambridge: Harvard University Press, 1988), 56.

19. Wing-tsit Chan, ed. and comp., *A Source Book in Chinese Philosophy* (Princeton: Princeton University Press, 1973), 87.

20. *Ibid.*, 88. The original quote was "[His personal life is cultivated] as a thing is cut and filed and as a thing is carved and polished."

21. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), *juan* 3, 1.

22. Arthur H. Smith, *Proverbs and Common Sayings from the Chinese* (Shanghai: American Presbyterian Mission Press, 1914), 40.

23. Thomas Metzger, *Escape from Predicament: Neo-Confucianism and China's Evolving Political Culture* (New York: Columbia University Press, 1977), 68. Romanization modified.

24. *Ibid.*, 175. Romanization modified. It should be noted here that Metzger's argument about Neo-Confucianism has caused quite a bit of controversy. While I am not qualified to comment on this controversy, I do believe that, for the most part, the essence of what I have cited here is well anchored by Zhu Xi's quote. For criticism of Metzger's argument, see the review by Chang Hao in *The Journal of Asian Studies* (February 1980).

25. Berling, *The Syncretic Religion of Lin Chao-en*, 107.

26. *Ibid.*, 104-105.

27. Wing-tsit Chan, *A Source Book in Chinese Philosophy*, 607. Romanization modified.

28. M. Theresa Kelleher, "Back to Basics: Chu Hsi's *Elementary Learning* (*Hsiao-hsüeh*)," in *Neo-Confucian Education: The Formative Stage*, ed. Wm. Theodore de Bary and John W. Chaffee (Berkeley: University of California Press, 1989), 227.

29. Metzger, *Escape From Predicament: Neo-Confucianism and China's Evolving Political Culture*, 62.

30. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 6.

31. Chu Hsi and Lü Tsu-ch'ien, comps., *Reflections on Things at Hand*, 247.

32. This preoccupation with “selfish” desires, of course, also suggests Buddhist influence. As there does not seem to be any other significant Buddhist influence in the manual, however, I assume the influence is Confucian.

33. *Jianghu bidu*, in *Shanggu bianlan*, *juan* 1, 5. The expression “If you are greedy for small profit, this will lead to the loss of big things” is often found in the manuals and indicates the importance the authors placed on looking at the larger or long-term picture.

34. This idea of interests serving as a brake for passions is discussed in Albert Hirshman, *The Passions and the Interests: Political Arguments for Capitalism before Its Triumph* (Princeton: Princeton University Press, 1977). He writes, “But once money-making wore the label of ‘interests’ and reentered in this disguise the competition with the other passions, it was suddenly acclaimed and even given the task of holding back those passions that had long been thought to be much less reprehensible” (41–42).

35. *Gongshang qieyao*, in *Shanggu bianlan*, *juan* 1, 21.

36. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 11.

37. *Ibid.*, 5.

38. Wing-tsit Chan, *A Source Book in Chinese Philosophy*, 606.

39. *Ibid.*, 612.

40. *Ibid.*, 561.

41. Cynthia Brokaw mentions a number of morality books meant for the subordinate classes that discussed the subject of the investigation of things in a simplified style. See Brokaw, “Determining One’s Own Fate.”

### 3 *The Apprentice’s Education Begins*

1. Nyok-Ching Tsur, “Forms of Business in the City of Ningpo in China [1909],” 64.

2. Rawski, *Education and Popular Literacy in Ch’ing China*, 29–32.

3. “Although he may become rich, this is decidedly not following the way and becoming a gentleman.” “Sui neng sheng, ze duan wu cong dao er lai junzi,” *Gongshang qieyao*, 15. This sentence directly articulates the possibility of the mid-level merchant becoming a gentleman.

4. Ironically, the author still refers in one essay to the possibility of the reader’s descendants becoming officials if he behaves morally. This type of incentive seems to have characterized the morality books of the Song but not of the eighteenth century.

5. Rawski, *Education and Popular Literacy in Ch’ing China*, 32.

6. *Ibid.*, 36.

7. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 6.

8. John Stuart Burgess, *The Guilds of Peking* (New York: Columbia University Press, 1928), 156–159.

9. Rawski, *Education and Popular Literacy in Ch’ing China*, 136.

10. Lien-sheng Yang, *Dianye xuzhi* [Essential Knowledge for the Pawn-trade], *Shihuo yuekan* (July 1971): 238.

11. See Ebrey, *Family and Property in Sung China: Yuan Ts'ai's Precepts for Social Life*: "This pluralism was related to Yuan Ts'ai's view of human nature, which was fundamentally different from that of Mencius or Chu Hsi. He did not see one truly human and fully admirable set of instincts that every person possesses underneath whatever he may have acquired through experience. Instead he saw considerable variety in people's innate style or temperament, a situation to be accepted, not condemned" (70). Wu did not necessarily base his view of this issue on Yuan's view, however.

The Song Neo-Confucian Zhu Xi did recognize differences in character resulting from different allotments of *qi* (ether or vital spirit), and he saw these differences arranged on a scale from worst (turbid) to best (clean).

12. Wu Zhongfu, *Shanggu bianlan* (1792), *juan* 2, 3.

13. Lien-sheng Yang, *Dianye xuzhi*, 239.

14. Nyok-Ching Tsur, "Forms of Business in the City of Ningpo in China [1909]," 63-64. The relations described in this saying probably overshadowed the three bonds and five relationships in the lives of mid-level merchants.

15. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 2.

16. Arthur H. Smith, *Village Life in China* (Boston: Little, Brown, 1970), 56.

17. This emphasis on establishing master-apprentice ties was found to be true in the case of Swatow in the late Qing. "The apprentice system was able to spawn a self-generated network of closely related but independent firms in a relatively short period." Gary G. Hamilton, "Nineteenth-Century Chinese Merchant Associations: Conspiracy or Combination? The Case of the Swatow Opium Guild," *Ch'ing-shih wen-t'i* 4 (December 1977): 64.

18. Pei-yi Wu, "Childhood Education in the Sung" (paper presented at the Conference on Neo-Confucian Education: The Formative Stage, Princeton, 30 August-5 Sept. 1984, 22). Romanization modified.

19. Arthur H. Smith, *Village Life in China*, 56, 74. For the peasants' views of the uselessness of primary school education in the 1930s, see Hsiao-tung Fei, *Peasant Life in China: A Field Study of Country Life in the Yangtze Valley* (London: Routledge and Kegan Paul, reprint of 1962 ed.), 39.

20. Chu Hsi and Lü Tsu-ch'ien, comps., *Reflections on Things at Hand: The Neo-Confucian Anthology*, 261.

21. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 3.

22. Patricia Ebrey, ed., *Chinese Civilization and Society: A Sourcebook* (New York: Free Press, 1981), 115.

23. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 7, 1.

24. Benjamin Schwartz, *The World of Thought in Ancient China* (Cambridge: Harvard University Press, 1985), 93.

25. Chu Hsi and Lü Tsu-ch'ien, comps., *Reflections on Things at Hand: The Neo-Confucian Anthology*, 156.
26. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 5.
27. Ibid., 11.
28. Ibid.
29. Robert Fortune, *Three Years' Wandering in the Northern Provinces of China* (New York: Garland Publishing, 1979), 341.
30. Isabella Bird, *The Yangtze Valley and Beyond: An Account of Journeys in China, Chiefly in the Province of Sze Chuan and Among the Man-tze of the Somo Territory* (Boston: Beacon Press, 1985), 349.
31. Mao Tun, "The Shop of the Lin Family," in *Spring Silkworms and Other Stories* (Beijing: Foreign Language Press, 1979), 96, 104.
32. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 24.
33. *Jianghu bidu*, in *Shanggu bianlan*.
34. *Gongshang qieyao*, in *Shanggu bianlan*, juan 1, 21.
35. *Jianghu bidu*, in *Shanggu bianlan*, juan 1, 15.
36. R. David Arkush, "'If Man Works Hard the Land Will Not Be Lazy': Entrepreneurial Values in North Chinese Peasant Proverbs," *Modern China* 10 (October 1984).
37. "Xulaopu yifen chengjia," in *Xingshi hengyan*, vol. 2, ed. Feng Menglong (Hong Kong: Zhonghua shuju, 1965), 754.
38. Shiba Yoshinobu, "Shinkoku kyakushō ichiran seimei tenka suiriku rotei [Xinke keshang yilan xingmi tianxia shuilu lucheng] ni tsuite," 911.
39. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 17.
40. Ibid., 24.
41. de Bary, "Individualism and Humanitarianism in Late Ming Thought," 163.
42. Li Yu, *Jou Pu Tuan* (New York: Grove Press, 1963), 3.
43. Berling, "Religion and Popular Culture: The Management of Moral Capital in *The Romance of the Three Teachings*," 210-211.
44. Shiba Yoshinobu, "Shinkoku kyakushō ichiran seimei tenka suiriku rotei [Xinke keshang yilan xingmi tianxia shuilu lucheng] ni tsuite," 910.
45. Lien-sheng Yang, *Dianye xuzhi*, 239.
46. Hui-chen Wang Liu, *The Traditional Chinese Clan Rules* (Locust Valley, N.Y.: J. J. Augustin, 1959), 169-170.
47. The character here is *fu*, second tone.
48. Lien-sheng Yang, *Dianye xuzhi*, 237.
49. Hui-chen Wang Liu, *The Traditional Chinese Clan Rules*, 169.
50. Zhang Xikong, *Tanji congshu*, vol. 80, *Jia xun* [Family Instructions] (printed in Xin'an/Kangxi period), 8.
51. Brokaw, "Determining One's Own Fate: The Ledgers of Merit and Demerit in Sixteenth- and Seventeenth-Century China," 250. For the orig-



inal discussion of this issue, see Huang Chin-shing, "The Lu-Wang School in the Ch'ing Dynasty: Li Mu-t'ang" (Ph.D. diss., Harvard University, 1984), 141-150.

52. D. C. Lau, *Mencius* (England: Penguin Books, 1970), 182.

53. Ropp, *Dissent in Early Modern China*, 152-153; Woodside, "State, Scholars, and Orthodoxy: The Ch'ing Academies, 1736-1839," 176.

54. C. K. Yang, *Religion in Chinese Society* (Berkeley: University of California Press, 1970), 272.

#### 4 *Relations with Government and Community*

1. Lien-sheng Yang, "Government Control of Urban Merchants in Traditional China," *Tsing Hua Journal of Chinese Studies* 8, no. 1-2 (1970): 195.

2. Richard Lufrano, "Manuals and Petitions: Commercial Problem-Solving in Late Imperial China" (Ph.D. diss., Columbia University, 1987). See the second part (232ff.) for a discussion of how merchants used petitions to solve problems.

3. There appears to be a passage in the handwritten version of the *Maoyi xuzhi* that advises the reader to seek help from minor officials. Upon checking this passage with the same one in the 1854 edition, however, I discovered that the character for "official" had been written incorrectly.

4. *Jianghu bidu*, in *Shanggu bianlan*, 14.

5. Arthur H. Smith, *Chinese Characteristics* (Port Washington, N.Y.: Kennikat Press, 1970), 337.

6. No further explanation is given, "Shishang shiyao," *Shanggu bianlan*.

7. Wealthy merchants in China undoubtedly cultivated ties with government officials. The Beijing merchant Meng Luoquan and his family members, for example, cultivated friendships with high officials in Republican China, including Yuan Shikai himself; see Wellington Chan, "The Organizational Structure of the Traditional Chinese Firm and Its Modern Reform," *Business History Review* 56, no. 2 (Summer 1982): 226. Ximen Qing, the wealthy merchant in the late Ming novel *The Golden Lotus*, moreover, was a good friend of the local magistrate and had many other connections with high officialdom.

8. Clement Egerton, trans., *The Golden Lotus*, vol. 4 (London: George Routledge and Sons, 1939), 234.

9. Huang Liu-hung, *A Complete Book Concerning Happiness and Benevolence: A Manual for Local Magistrates in Seventeenth-Century China*, ed. and trans. Djang Chu (Tucson: University of Arizona Press, 1984), 258.

10. Hui-chen Wang Liu, *The Traditional Chinese Clan Rules*, 1959), 153.

11. Guangdongsheng shehui kexueyuan lishi yanjiusuo Zhongguo gu-daishi yanjiushi et al., *MingQing Foshan beike wenxian jingji ziliao* (Guangdong: Guangdong renmin chubanshe, 1987), 477.

12. Naquin and Rawski, *Chinese Society in the Eighteenth Century*, 40.

13. *Jianghu bidu*, in *Shanggu bianlan*, 8.

14. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 23.

15. Although the essay from which this passage is drawn is contained in the written version, the 1854 version, and the 1900 version (see Appendix), only the 1854 version has the passage translated in this chapter. Ju Qingyuan, “Qing kaiguan qianhou de sanbu shangren zhuzuo,” 133.

16. Egerton, trans., *The Golden Lotus*, vol. 3, 324; “Zhang tingxiu tao-sheng jiufu,” in *Xingshi hengyan*, vol. 1), ed. Feng Menglong (Hong Kong: Zhonghua shuju, 1965), 401.

17. Joanna Handlin Smith, “Benevolent Societies: The Reshaping of Charity during the Late Ming and Early Ch’ing,” *Journal of Asian Studies* 46 (May 1987): 324–325.

18. See Johnson, “Communication, Class, and Consciousness in Late Imperial China”; Rawski, *Education and Popular Literacy in Ch’ing China*; and Ropp, *Dissent in Early Modern China*.

19. For example, the magistrate cited above, Huang Liuhong, wrote, “The essentials of conducting social intercourse were avoidance of doing things to others which one did not expect from others.” Huang, *A Complete Book Concerning Happiness and Benevolence*, 539.

20. Wing-tsit Chan, *A Source Book in Chinese Philosophy*, 101.

21. Hui-chen Wang Liu, *The Traditional Chinese Clan Rules*, 150–151.

22. Arthur H. Smith, *Village Life in China*, 55.

23. For a fuller discussion of this phenomenon see Ambrose Yeo-chi King, “Kuan-hsi and Network Building: A Sociological Interpretation,” *Daedalus* 120, no. 2 (Spring 1991).

24. *Ibid.*, 76. Romanization modified.

25. M. Theresa Kelleher, “A Content Analysis of the *Hsiao-hsüeh*” (paper presented at the Conference on Neo-Confucian Education: The Formative Stage, Princeton, 30 August–5 Sept. 1984), 11.

26. Egerton, trans., *The Golden Lotus*, vol. 1, 6–7. Romanization modified.

27. Shiba Yoshinobu, “Shinkoku kyakushō ichiran seimei tenka suiriku rotei ni tsuite,” 913.

28. Berling, “Religion and Popular Culture: The Management of Moral Capital in *The Romance of the Three Teachings*,” 193–194.

29. The author wrote in an essay on relations with customers that all people in society, from noblemen to beggars, were equal, thus challenging the hierarchical view of society he advocates here. His pragmatism might explain the inconsistency. The marginal characters described here, however, were dangerous and had to be kept at a distance.

30. Hui-chen Wang Liu, “An Analysis of Chinese Clan Rules: Confucian Theories in Action,” 90.

31. Confucianism also regards relationships as the goal of moral development. In other words, moral development fosters better social relations. I thank Robert Hymes of Columbia University for pointing this out to me.

32. Wing-tsit Chan, ed., *A Source Book in Chinese Philosophy*, 101. There is also a passage in *Mencius* on this subject. “Try your best to treat others as you would wish to be treated yourself, and you will find that this is the shortest way to benevolence.” D. C. Lau, *Mencius*, 182.

33. Lien-sheng Yang, *Dianye xuzhi*, 237.

34. Shiba Yoshinobu, “Shinkoku kyakushō ichiran seimei tenka suiriku rotei ni tsuite,” 913.

35. Hui-chen Wang Liu, *The Traditional Chinese Clan Rules*, 146–149.

36. *Ibid.*, 148.

37. Although this concept is sometimes associated with Confucianism (as well as with other schools of thought), it neither originated with Confucianism nor died out after the fall of the last dynasty.

38. Justus Doolittle, *Social Life of the Chinese: With Some Account of Their Religious, Governmental, Educational, and Business Customs and Opinions*, vol. 2 (Taipei: Cheng-wen Publishing Company, 1966), 138.

39. Tsur, Nyok-Ching, “Forms of Business in the City of Ningpo in China [1909],” 121.

40. With the receding importance of ideology in the People’s Republic of China, factory managers have sought to avoid hiring women because of the trouble they bring. For example, one manager stated, “If a woman is promoted, it may arouse suspicion that she is having an affair with a factory official.” This sentiment helps us understand the merchant manuals’ attitude toward women. *Washington Post*, 16 Feb. 1993.

41. Charlotte Furth, “The Patriarch’s Legacy: Household Instructions and the Transmission of Orthodox Values,” in *Orthodoxy in Late Imperial China*, ed. Kwang-Ching Liu (Berkeley: University of California Press, 1990), 196.

42. *Ibid.*

43. Guangdong sheng shehui kexueyuan lishi yanjiusuo Zhongguo gu-daishi yanjiushi et al. *MingQing Foshan beike wenxian jingji ziliao*, 478.

44. Ida Pruitt, *A Daughter of Han: The Autobiography of a Chinese Working Woman* (Stanford: Stanford University Press, 1967), 177.

45. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 8.

46. This paraphrase from *Mencius* was only found in the handwritten version of this manual, the *Maoyi xuzhi jiyao* (2 vol.). See the Appendix for a discussion of the different versions of this manual.

47. Egerton, trans., *The Golden Lotus*, vol. 4, 173.

48. *Ibid.*, 291; Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 19.

49. Eastman, *Family, Field, and Ancestors: Constancy and Change in China's Social and Economic History, 1550-1949*, 32.
50. Egerton, trans., *The Golden Lotus*, vol. 4, 291. Romanization modified.
51. Roy Hofheinz, Jr., and Kent Calder, *The East Asian Edge* (New York: Basic Books, 1982), 112.
52. Rowe, *Hankow: Conflict and Community in a Chinese City, 1796-1895*, 41.
53. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 18.
54. Mi Chu Wiens, "Kinship Extended: The Tenant/Servants of Hui-chou," in *Orthodoxy in Late Imperial China*, 249.
55. Ibid.
56. Wellington Chan, *Merchants, Mandarins, and Modern Enterprise in Late Ch'ing China*, 44.
57. Mi Chu Wiens, "Kinship Extended," 250.
58. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 18. Arthur H. Smith has also noted the existence of this saying in late Qing China.
59. Shiba Yoshinobu, "Shinkoku kyakushō ichiran seimei tenka suiriku rotei ni tsuite," 914.
60. Nyok-Ching Tsur, "Forms of Business in the City of Ningpo in China [1909]," 64.
61. Bird, *The Yangtze Valley and Beyond*, 49.
62. Huang Liu-hung, *A Complete Book Concerning Happiness and Benevolence*, 356.
63. Wellington Chan, "The Organizational Structure of the Traditional Chinese Firm and Its Modern Reform," 219-220.
64. Egerton, trans., *The Golden Lotus*, vol. 1, 289. Romanization modified.
65. Ibid., vol. 4, 97.
66. Ibid., vol. 2, 228.
67. Brokaw, *The Ledgers of Merit and Demerit: Social Change and Moral Order in Late Imperial China*, 191-192.
68. Pruitt, *A Daughter of Han: The Autobiography of a Chinese Working Woman*, 48.

## 5 *Personal Relations in the Marketplace*

1. Sybille van der Sprenkel, "Urban Social Control," in *The City in Late Imperial China*, ed. G. W. Skinner (Stanford: Stanford University Press, 1977), 620.
2. Shiba Yoshinobu, "Shinkoku kyakushō ichiran seimei tenka suiriku rotei ni tsuite," 915.
3. Doolittle, *Social Life of the Chinese*, 135.
4. Eastman, *Family, Field, and Ancestors: Constancy and Change in China's Social and Economic History, 1550-1949*, 131.

5. Wu Qiyao, “Qingdai qianqi yahangzhi shishu.”
6. Ibid.
7. Ibid., 47.
8. Li Yue, “Xu jianwen zaji,” in *Mingdai shehui jingji shiliao xuanbian*, vol. 2, ed. Xie Guozhen (Fujian: Fujian renmin chubanshe, 1981), 276.
9. Shiba Yoshinobu, “Shinkoku kyakushō ichiran seimei tenka suiriku rotei ni tsuite,” 916.
10. Curiously, an amateur merchant in one of the *Sanyan* stories, on a business trip for the first time and seeing many fellow merchants looking to buy the same product, decides to wine and dine the broker in order to receive priority treatment, thus reversing the roles suggested by the merchant authors.
11. Shiba Yoshinobu, “Shinkoku kyakushō ichiran seimei tenka suiriku rotei ni tsuite,” 915.
12. “Chen yushi qiaokan Jin Chaitian,” in *Gujin xiaoshuo*, vol. 1, ed. Feng Menglong (Taibei: Shijie Shuju, 1958), 13.
13. “Shi run zetan queyu you,” in *Xingshi hengyan*, vol. 1, ed. Feng Menglong (Hong Kong: Zhonghua shuju, 1965).
14. Note that this part about the gentleman is found only in the Tokyo version, not in the version collated by Ju Qingyuan.
15. Shiba Yoshinobu, “Shinkoku kyakushō ichiran seimei tenka suiriku rotei ni tsuite,” 915.
16. See discussion in Morton Fried, *The Fabric of Chinese Society: A Study of the Social Life of a Chinese County Seat* (New York: Praeger, 1953).
17. *Jianghu bidu*, in *Shanggu bianlan*, 9.
18. Wu Qiyao, “Qingdai qianqi yahangzhi shishu,” 33.
19. Advertising was classically considered unprofessional in that it encouraged damaging competition.
20. M. Huc, *The Chinese Empire* (London: Longman, Brown, Green, Longmans and Roberts, 1859), 171.
21. Shiba Yoshinobu, “Shinkoku kyakushō ichiran seimei tenka suiriku rotei ni tsuite,” 915.
22. Doolittle, *Social Life of the Chinese*, 136. Doolittle also suggests the possibility of collusion between the broker (“go-between” in his words) and the buyer.
23. Huang Liu-hung, *A Complete Book Concerning Happiness and Benevolence*, 451.
24. Ju Qingyuan, “Jiaozheng Jianghu bidu,” 37–38.
25. Ibid.
26. *Gongshang qieyao*, in *Shanggu bianlan*, 25.
27. Li Ju-chen, *Flowers in the Mirror*, ed. and trans. Lin Tai-yi (Berkeley: University of California Press, 1965), 58.
28. S. Wells Williams, *The Middle Kingdom*, vol. 1, quoted in Isabella Bird, *The Yangtze Valley and Beyond*, 160.

29. Frances L. K. Hsu, *Under the Ancestors' Shadow: Kinship, Personality, and Social Mobility in China* (Stanford: Stanford University Press, 1971), 231.

30. *Jianghu bidu*, in *Shanggu bianlan*, 9.

31. Fried, *The Fabric of Chinese Society*.

32. Williams, *The Middle Kingdom*, vol. 2, 13.

33. Wolfram Eberhard, "The Business Activities of a Small Chinese Merchant," In *Settlement and Social Change in Asia* (Hong Kong: Hong Kong University Press, 1967), 202-203.

34. Mao Tun, "The Shop of the Lin Family," 99-100.

35. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 13.

36. *Buifeiqian gongde lu* (Meritorious Deeds at No Cost), vol. 2, 16-17.

37. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 13.

38. Shi Chengjin, *Quanjiabao* (Qing, Yangzhou), vol. 10, 25.

39. This concept can be traced back to the Han dynasty historian Sima Qian, who discussed the advantages of unfettered commerce.

40. "Maiyoulang duzhan huakui," in *Xingshi hengyan*, vol. 1 (Hong Kong: Zhonghua shuju, 1965).

41. An exception is the essay on extending kindness to peddlers.

42. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 23.

43. Again, while some protected others for their own purposes, others undoubtedly were genuinely concerned about the real victims of commercialization.

44. Descriptions of a populace keen on benefiting themselves in any way possible are numerous in late imperial writings. It is thus difficult to believe that the author was merely using the fear of this public as a pretext to advocate a callous, selfish attitude toward the poor and downtrodden, although this manipulative thinking certainly may have been part of it. The general public certainly became more competitive, while some members of society suffered in this crowded, more contentious world.

45. Shiba Yoshinobu, "Shinkoku kyakushō ichiran seimei tenka suiriku rotei ni tsuite," 911.

46. Ibid.

47. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 10.

48. Ju Qingyuan, "Qing kaiguan qianhou de sanbu shangren zhuzuo," 238.

49. "Maiyoulang duzhan huakui," in *Xingshi hengyan*, vol. 1, 48.

50. Mao Tun, "The Shop of the Lin Family," 96, 99.

51. Egerton, trans., *The Golden Lotus*, vol. 3, 324.

52. Yung-teh Chow, *Social Mobility in China: Status Careers among the Gentry in a Chinese Community* (New York: Atherton Press, 1966), 230-231.

53. Egerton, trans., *The Golden Lotus*, vol. 4, 295-296.

54. Hui-chen Wang Liu, *The Traditional Chinese Clan Rules*, 150-151.

55. Doolittle, *Social Life of the Chinese*, 135.

56. Bird, *The Yangtze Valley and Beyond*, 70.
57. Ibid.
58. Ibid.
59. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 12.
60. Mao Tun, "The Shop of the Lin Family," 100.
61. Arthur H. Smith, *Village Life in China*, 36.
62. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 11.
63. Ibid., 12.
64. "Zhang tingxiu taosheng jiufu," in *Xingshi hengyan*, vol. 1, 401.
65. Doolittle, *Social Life of the Chinese*, 156.
66. Bird, *The Yangtze Valley and Beyond*, 160.
67. Yue Songsheng, "Beijing Tongrentang huigu yu zhanwang" [A Review and Prospectus of Beijing's Tongren Hall], in *Gongshang shiliao*, no. 1, ed. Wenshi ziliao yanjiu weiyuanhui (Beijing: Wenshi ziliao chubanshe, 1980), 159-160.
68. "Zhang tingxiu taosheng jiufu," in *Xingshi hengyan*, vol. 1, 399.
69. "Dun xiucui yichao jiaotian," in *Jingshi tongyan*, vol. 1, ed. Feng Menglong (Taipei: Shijie shuju, 1958), 4.
70. Bird, *The Yangtze Valley and Beyond*, 65-66.
71. W. H. Medhurst, *The Foreigner in Far Cathay* (New York: Scribner, Armstrong and Company, 1873), 72.
72. Williams, *The Middle Kingdom*, vol. 2, 13.
73. Hoh-cheung Mui and Lorna H. Mui, *Shops and Shopkeeping in Eighteenth-Century England* (Kingston: McGill-Queen's University Press, 1989), 221.
74. Hofheinz and Calder, *The East Asian Edge*, 45.
75. Fernand Braudel, *The Wheels of Commerce: Civilization and Capitalism, 15th-18th Century* (New York: Harper and Row, 1982), 165-166.
76. Mark Granovetter, "Economic Action and Social Structure: The Problem of Embeddedness," *American Journal of Sociology* 91 (November 1985): 490.

## 6 The Market, Management, Money, and Finance

1. Fu Yiling, *Mingdai Jiangnan shimin jingji shitan* [A Preliminary Discussion of the Jiangnan Townsman's Economy during the Ming Period] (Shanghai: Shanghai renmin shuju, 1957), 43.
2. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900) 15.
3. Mizuno Masaaki, "Shinan gemban shishō ruiyō ni tsuite," 104.
4. Egerton, trans., *The Golden Lotus*, vol. 3, 41.
5. Richard Smith, *China's Cultural Heritage: The Ch'ing Dynasty, 1644-1912*, 104-105.
6. Wang Bingyuan, *Maoyi xuzhi yaoyan*, (1900) 15.
7. Pu Songling, "Lazy Wang," in *Selected Tales of Liaozhai*, 31-32.

8. The author does not explain what he means by a false change. Most likely this was a standard term understood by all who dealt with the market. Perhaps it signified a change of very short duration.

9. Mizuno Masaaki, "Shinan gemban shishō ruiyō ni tsuite," 104.

10. Berling, "Religion and Popular Culture: The Management of Moral Capital in *The Romance of the Three Teachings*," 193.

11. Anita Chan, Richard Madsen, and Jonathan Unger, *Chen Village under Mao and Deng* (2nd ed.) (Berkeley: University of California Press, 1992), 252.

12. Nyok-Ching Tsur, "Forms of Business in the City of Ningpo in China [1909]," 120.

13. Wang Qi, ed., *Shishang yaolan*, vol. 3, 3.

14. Egerton, trans., *The Golden Lotus*, vol. 3, 118.

15. "Xulaopu yifen chengjia," in *Xingshi hengyan*, vol. 2, 749.

16. Wu Zhongfu, *Shanggu bianlan*, vol. 2, 4.

17. Ibid., vol. 6.

18. At least two other letter manuals for merchants existed. The first was contained in the 1854 merchant compilation, the *Zajin chunfang yinjing*, the second was the 1896 *Tang zho xiexin bidu*, compiled by Tang Yunzhou.

19. This essay proved particularly difficult to translate, and I am not completely confident of my translation.

20. Hu Jichuang, *Zhongguo jingji sixiangshi* (2), 583. Clearly the merchants as townspeople can also be hurt by these practices; the manual authors do not discuss this possibility.

21. Shi Chengjin, *Quanjiaobao*, "An fen" section, 67.

22. See William Rowe's recent research on Chen Hongmou.

23. Mao Tun, "The Shop of the Lin Family," 114.

24. "Duzichun sanru Changan," in *Xingshi hengyan*, vol. 2, ed. Feng Menglong (Hong Kong: Zhonghua shuju, 1965), 786.

25. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900) 17.

26. Pruitt, *A Daughter of Han*, 48. David Faure, Madeleine Zelin, and Harriet Zurndorfer have also drawn our attention to the lineage as a source of start-up capital for merchant enterprises. David Faure, "A Note on the Lineage in Business," *Chinese Business History* 2 (April 1991); Madeleine Zelin, "The Rise and Fall of the Fu-Rong Salt-Yard Elite; Merchant Dominance in Late Qing China," *Chinese Local Elites and Patterns of Dominance* ed. Joseph W. Esherick and Mary Backus Rankin (Berkeley: University of California Press, 1990).

27. "Bainiangzi yongzhen lei fengta," in *Jingshi tongyan*, vol. 2, 29.

28. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 17.

29. Ibid.

30. Mizuno Masaaki, "Shinan gemban shishō ruiyō ni tsuite," 104.

31. Shiba Yoshinobu, "Shinkoku kyakushō ichiran seimei tenka suiriku rotei ni tsuite," 913.



32. Wellington Chan, *Merchants, Mandarins, and Modern Enterprises in Late Ch'ing China*, 45; Fu Yiling, *MingQing shidai shangren ji shangye ziben*, 65.

33. "Xulaopu yifen chengjia," in *Xingshi henyuan*, vol. 2.

34. Arthur H. Smith, *Chinese Characteristics*, 23.

35. *Jianghu bidu*, in *Shanggu bianlan*, vol. 1, 9.

36. For more on this issue see Fu-mei Chang Chen and Ramon Myers, "Customary Law and the Economic Growth of China during the Ch'ing Period," *Ch'ing-shih wen-t'i* (December 1978): 19.

37. *Tingshu pingshuo* (1765), *juan* 1, 68-69.

38. Braudel, *The Wheels of Commerce*, 385.

39. Ju Qingyuan, "Qing kaiguan qianhou de sanbu shangren zhuzuo," 237. The quote is taken from the *Maoyi xuzhi*.

40. *Gongshang qieyao*, in *Shanggu bianlan*, vol. 1, 24.

41. Michael H. Finegan, "Merchant Activities and Business Practices as Revealed in Several Manuscripts from Fukien," *Ch'ing-shih wen-t'i* 3 (November 1978): 82.

42. Egerton, trans., *The Golden Lotus*, vol. 2, 238.

43. Shiba Yoshinobu, "Shinkoku kyakushō ichiran seimei tenka suiriku rotei ni tsuite," 911.

44. *Gongshang qieyao*, in *Shanggu bianlan*, vol. 1, 24.

45. Shiba Yoshinobu, "Shinkoku kyakushō ichiran seimei tenka suiriku rotei ni tsuite," 912.

46. Arthur H. Smith, *Chinese Characteristics*, 273.

47. Wang Bingyuan, *Maoyi xuzhi yaoyan*, vol. 3, 14-15.

48. *Gongshang qieyao*, in *Shanggu bianlan*.

49. Doolittle, *Social Life of the Chinese*, 159.

50. Andrea Lee McElderry, *Shanghai Old-Style Banks (Ch'ien-chuang), 1800-1935: A Traditional Institution in a Changing Society* (Ann Arbor: Center for Chinese Studies, University of Michigan, 1976), 38.

51. Carlo M. Cipolla, *Before the Industrial Revolution: European Society and Economy, 1000-1700* (New York: W. W. Norton, 1976), 183-185.

52. Shiba Yoshinobu, *Commerce and Society in Sung China*, 32-33.

53. Braudel, *The Wheels of Commerce*, 73.

54. Finegan, "Merchant Activities and Business Practices as Revealed in Several Manuscripts from Fukien," 80.

55. *Nanhai Foshan Huoshi dazongzupu*, vol. 2, *Shanggu sanliu shan*, 3.

56. Shi Chengjin, *Quanjiaobao*, "Jiao cai ge," 29-30.

57. Lien-sheng Yang, *Money and Credit in China: A Short History* (Cambridge: Harvard University Press, 1952), 47.

58. Egerton, trans., *The Golden Lotus*, vol. 3, 92.

59. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 10.

60. Egerton, trans., *The Golden Lotus*, vol. 2, 266.

61. *Buifeiqian gongde lu*, vol. 2 (1849), 13-21.

62. "Lu wu han ying liu he se xie," in *Xingshi hengyan*, vol. 1, ed. Feng Menglong (Hong Kong: Zhonghua shuju, 1965), 307.
63. Arthur H. Smith, *Chinese Characteristics*, 255.
64. Wang Bingyuan, *Maoyi xuzhi yaoyan*, (1900), 9.
65. Shiba Yoshinobu, "Shinkoku kyakushō ichiran seimei tenka suiriku rotei ni tsuite," 913.
66. Robert Gardella, "Commercial Bookkeeping in Ch'ing China and the West: A Preliminary Assessment," *Ch'ing-shih wen-t'i* 4 (June 1982): 58-59. Also see Robert Gardella, "Squaring Accounts: Commercial Bookkeeping Methods and Capitalist Rationalism in Late Qing and Republican China," *Journal of Asian Studies* 51 (May 1992).

## 7 Travel and Crime

1. Timothy Brook, "Guides for Vexed Travelers: Route Books in the Ming and Qing," 38.
2. The *Gongshang qieyao* and the *Jianghu bidu* in Wu Zhongfu's collection and the *Shishang yaolan* provide most of the material on this issue.
3. M. Huc, *The Chinese Empire*, 522.
4. "Xulaopu yifen chengjia," in *Xingshi hengyan*, vol. 2, 747.
5. Wang Qi, ed., *Shishang yaolan*, vol. 3, 1.
6. "Suzhixian luoshan zaihe," in *Jingshi tongyan*, vol. 1, ed. Feng Menglong (Taibei: Shijie shuju, 1958), 22.
7. Hui-chen Wang Liu, *The Traditional Chinese Clan Rules*, 158-159.
8. A list of auspicious days was included in the appendices to the manuals. The appendices, in this regard, may have served as a vehicle for the authors to appeal to their readers' interests without compromising their integrity.
9. "Suzhixian luoshan zaihe," in *Jingshi tongyan*, vol. 1, 22.
10. "Xulaopu yifen chengjia," in *Xingshi hengyan*, vol. 2, 747.
11. "Jingyangguan tieshu zhenyao," in *Jingshi tongyan*, vol. 2, ed. Feng Menglong (Taibei: Shijie shujue, 1958), 70.
12. Rozman, *Urban Networks in Ch'ing China and Tokugawa Japan*, 92-93.
13. M. Huc, *The Chinese Empire*, 200.
14. Peter Schran, "A Reassessment of Inland Communications in Late Ch'ing China," *Ch'ing-shih wen-t'i* 3 (December 1978): 30.
15. "Xulaopu yifen chengjia," in *Xingshi hengyan*, vol. 2, 751.
16. Wang Qi, ed., *Shishang yaolan*, vol. 3, 1.
17. Hosie, Alexander, *Three Years in Western China: A Narrative of Three Journeys in Ssu-ch'uan, Kuei-chow, and Yun-nan* (London: G. Philip and Son, 1897), 43, 50-51, 57.
18. Christopher Rand, *Mountains and Water* (New York: Oxford University Press, 1965), 26-27.

19. Bird, *The Yangtze Valley and Beyond*, 187.
20. *Ibid.*, 205.
21. *Ibid.*
22. Pu Songling, "Lazy Wang," 32. When the protagonist of the story is robbed, a bystander suggests that he sue the innkeeper. This advice, the merchant manuals notwithstanding, demonstrates the frequency with which members of the subordinate classes during the late imperial period did resort to the courts. See conclusion for mid-level merchants and the courts.
23. Chen Qi, ed., *Tianxia lucheng*, vol. 1, "Jianghu shier ze," 2.
24. Fu Yiling, *MingQing shidai shangren ji shangye ziben* (Beijing: Renmin chubanshe, 1956), 63; Pu Songling, "Lazy Wang," 32.
25. Wu Qiyao, "Qingdai qianqi yahanqzhi shishu," in *Qingshi luncong*, 42.
26. Braudel, *The Wheels of Commerce*, 353.
27. Huang Liu-hung, *A Complete Book Concerning Happiness and Benevolence*, 385.
28. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 21.
29. Arthur H. Smith, *Chinese Characteristics*, 252.
30. *Ibid.*
31. Shiba Yoshinobu, "Shinkoku kyakushō ichiran seimei tenka suiriku rotei ni tsuite," 914.
32. Wang Bingyuan, *Maoyi xuzhi yaoyan*, (1900), 21.
33. *Ibid.*, 20.
34. Schran, "A Reassessment of Inland Communications in Late Ch'ing China," 40.
35. *Gongshang qieyao*, in *Shanggu bianlan*, 18.
36. Chen Qi, ed. *Tianxia lucheng*, *juan* 1, "Jianghu shier ze," 1.
37. *Gongshang qieyao*, in *Shanggu bianlan*, 18.
38. Eastman, *Family, Field, and Ancestors*, 105.
39. "Cai Ruihong renzhen baoqiu," in *Xingshi hengyan*, vol. 2, ed. Feng Menglong (Hong Kong: Zhonghua shuju, 1965), 776.
40. *Taiyuan Huoshi zongbentan zupu*, vol. 3, "Shangyou baiwu zhi danghuo," in *MingQing Foshan beike wenxian jingji ziliao*, ed. Guangdongsheng shehui kexueyuan lishi yanjiusuo Zhongguo gudaishi yanjiushi et al., 477-478.
41. Schran, "A Reassessment of Inland Communications in late Ch'ing China," 37.
42. Shiba Yoshinobu, *Commerce and Society in Sung China*, 37-39.
43. Mizuno Masaaki, "Shinan gemban shishō ruiyō ni tsuite," 104.
44. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 21-22.
45. Doolittle, *Social Life of the Chinese*, vol. 2, 154.
46. *Gongshang qieyao*, 17; *Maoyi xuzhi yaoyan*, 22.

47. *Gongshang qieyao*, 19.
48. Ibid.
49. Mizuno Masaaki, "Shinan gemban shishō ruiyō ni tsuite," 104.
50. Egerton, trans., *The Golden Lotus*, vol. 2, 268, 276.
51. *Gongshang qieyao*, 20.
52. Ibid., 19.
53. Shiba Yoshinobu, *Commerce and Society in Sung China*, 37-39.
54. Ibid., 37.
55. Ibid., 36-37.
56. Rowe, *Hankow: Conflict and Community in a Chinese City, 1796-1895*, 217.
57. S. Wells Williams, *The Middle Kingdom*, vol. 2, 16-18.
58. Wang Bingyuan, *Maoyi xuzhi yaoyan* (1900), 8. Interestingly, the questions being asked here are similar to the ones the government wanted innkeepers to ask of their guests.
59. Huang Liu-hung, *A Complete Book Concerning Happiness and Benevolence*, 378.
60. Ibid., 255.
61. Shi Chengjin, "Renshipian," in *Quanjiabao*, vol. 10, 26.
62. Ibid., vol. 12, 1.

### Conclusion

1. King Yeo-chi (Ambrose King), "Rujia lunli yu jingji fazhan: Weiba xueshuo di chongtan" [The Confucian Ethos and Economic Development: A Reexamination of Weber's Theory], *Mingbao yuekan* 19 (August 1983), 74. This article summarizes and analyzes papers given at an international conference in March 1983 on Chinese Culture and Modernization at Chinese Hong Kong University. King provides a thoughtful and sober-minded discussion of the role of "vulgar" Confucianism.
2. Gilbert Rozman, "Comparisons of Modern Confucian Values in China and Japan," in *The East Asian Region: Confucian Heritage and Its Modern Adaptation*, ed. by Gilbert Rozman (Princeton: Princeton University Press, 1991), 199.
3. In any event, it would be surprising for capitalists to emerge from a group of mid-level merchants.
4. See, for example, Tang Lixing, "MingQing Huishang xinli yanjiu"; and Morita Akira, "*Shōko benran ni tsuite*."
5. This is evidenced in Fei Xiaotong, *Small Towns in China* (Beijing: New World Press, 1986); Gamble and Burgess, *Peking: A Social Survey*; and Mao Tun, "The Shop of the Lin Family."
6. Perry Link, *Mandarin Ducks and Butterflies: Popular Fiction in Early*

*Twentieth-Century Chinese Cities* (Berkeley: University of California Press, 1981).

7. Despite the fall of the imperial state, the importance of Confucian notions of respectability for mid-level merchants continued well into the Republican period. As time went on, some of the more outward and less essential aspects of Confucianism in merchant culture were dropped, while a core of inner values were retained.

8. Ezra Vogel, *The Four Little Dragons: The Spread of Industrialization in East Asia* (Cambridge: Harvard University Press, 1991), 101.

9. The manual authors did warn their readers to stay away from government officials, especially *yamen* runners and clerks, but never explicitly advised against petitioning the government.

10. See James L. Watson, "Standardizing the Gods: The Promotion of T'ien Hou ("Empress of Heaven") Along the South China Coast, 960-1960," in *Popular Culture in Late Imperial China*.

11. Naquin and Rawski, *Chinese Society in the Eighteenth Century*, 222.

12. Mid-level merchants, artisans, minor government officials, and entertainers did have similar economic, social, and cultural backgrounds and did seem to distinguish themselves from other segments of society. I use the more neutral term "stratum" here to describe them to avoid the controversy surrounding the definition of the term "class."

13. Ebrey, *Family and Property in Sung China*, 162-164.

14. Richard Smith, "Ritual in Ch'ing Culture," in *Orthodoxy in Late Imperial China*, 307.



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